

Stock code: 6233



PROLIFIC TECHNOLOGY INC.

Year 2024 Annual Report

Printed on: April 6, 2025

Inquiry website for this annual report:

Market Observation Post System - <http://mops.twse.com.tw>

Company website - <http://www.prolific.com.tw>

-----DISCLAIMER-----

**THIS ENGLISH TRANSLATION IS PROVIDED FOR REFERENCE ONLY. IN CASE OF ANY DISCREPANCIES, THE ORIGINAL CHINESE VERSION SHALL PREVAIL.
PRINTED ON APRIL 6, 2025**

Basic Company Information

1. Company Spokesperson

Spokesperson:

Name: Chang Ching-Tang

Title: Chairman

Tel.: (02)2654-6363

E-mail: ir@prolific.com.tw

Acting Spokesperson:

Name: Lin Ting-Yu

Title: Chief Financial Officer and Corporate Governance Officer

Tel.: (02)2654-6363

E-mail: ir@prolific.com.tw

2. Addresses and telephone numbers of headquarters and branch office:

Headquarters address: 7th Floor, No. 48, Section 3, Nankang Road, Taipei City

Tel.: (02)2654-6363

Hsinchu Science Industrial Park Branch Office Address: No. 10-2, Lihsin 1st Road, Hsinchu City, Hsinchu Science Industrial Park

Tel.: (03)578-2011

3. Stock transfer agent

(1) Name: Stock Affairs Agency Department of KGI Securities Co., Ltd.

(2) Address: 5th Floor, No. 2, Section 1, Chongqing South Road, Taipei City

(3) Tel.: (02)2389-2999

(4) Website: <https://www.kgi.com.tw>

4. Auditor of the latest annual financial report

(1) Firm Name: KPMG, Taiwan (KPMG International Limited)

(2) Names of accountants: Huang Yung-Hua, Yu Sheng-Ho

(3) Address: Floor 68, No. 7, Section 5, Xinyi Road, Taipei City

(4) Tel.: (02)8101-6666

(5) Website: www.kpmg.com.tw

5. Overseas Securities Exchange and inquiry on overseas securities: Not applicable

6. Company website: <http://www.prolific.com.tw>

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I. Letter to Shareholders

Dear shareholders:

The global economy has been booming due to the brilliant development of AI (Artificial Intelligence), which has led to unprecedented prosperity in the semiconductor industry in 2024. The main reasons are the demand for computing power brought by Generative AI, the surge in demand for memory-related semiconductors, and the gradual recovery of terminal demand such as mobile phones and PCs. Looking forward to the new year of 2025, there is no doubt that the AI trend will eventually play the main theme of the development of the technology industry. Although the confrontation between China and the United States and the regional political risks of "Trump 2.0" new policies will add a lot of uncertainty to the semiconductor business cycle, the Company still plans to increase investment and expand the layout of electromechanical integration fields such as sensors, motor controls, heat dissipation and power processing. In addition, it will accelerate the development of AI edge application platform products and seek simultaneous growth of new and old businesses to lay the foundation for sustained profits in the future.

I. Results of the implementation of the 2024 business plan, as well as implementation of revenue operations and expenditure budget, analysis of profitability, and the status of research and development

The revenue and net profit in 2024 are listed in the table below:

Unit: NT\$ 1,000

Item	2024	2023	Increase (decrease) amount
Consolidated net operating revenues	417,225	360,522	56,703
Consolidated operating cost	249,507	222,101	27,406
Consolidated operating gross profit	167,718	138,421	29,297
Consolidated net profit after tax	28,663	2,892	25,771
Consolidated EPS	0.36	0.04	0.32

The Company's consolidated net operating revenues totaled NT\$417,225 thousands in 2024, an increase of 16% from the previous year's NT\$360,522 thousands consolidated net profit after tax was NT\$28,663 thousands and increase of NT\$25,771 thousands compared with the previous year. In terms of profit margin, consolidated operating gross profit reached 40.2% in 2024, a slight increase of 1.8% compared with 38.4% in the previous year. The main reasons are the decrease in sales of low-margin USB standardized products and the increase in fan control-related chip sales. Benefiting from cost control and non-operating income, the after-tax net profit margin in 2024 stood at 6.9%, up 6.1% from 0.8% in the previous year. Earnings per share (EPS) was NT\$0.36, up NT\$0.32 from the previous year.

In terms of research and development, the Company has fully invested in the “AIoT (Artificial Intelligence of Things) Platform” and “Electromechanical Integration Platform” technologies, using the patent of Smart I/O to develop the “I-Bus Configurable Serial Interface Solution” to break through limitations and support multiple devices. Compared with the early USB, which can only be used by a single device, this solution can expand connectivity, and integrate sensors into hub devices to expand applications to smart farms and industrial control markets. Moreover, the newly developed USB3.2-USB3.2 products have built-in Virtual Hub function to realize the interconnection of devices and handheld devices with heterogeneous operating systems. This not only supports across different operating platforms, but also allows screen, network and other resource sharing and high-speed transmission between devices, providing an intuitive and easy-to-operate experience. As for electromechanical integration, the Company has relied on its deep expertise in Hall-magnetic sensors and fan motor drive chips to successfully launch a number of products, which are now widely used in home appliances, office automation and the automotive industry. The above products feature low starting voltage, high driving current and high stability, fully meeting the needs of various applications. Especially combined with the DSP Core instruction set, the “digital smart fan motor control solution” developed by the Company not only improves operational efficiency, reduces energy consumption and wiring costs, but also flexibly responds to the efficient cooling needs of various electronic devices.

II. 2025 operating policy

Business policy

The Company will continue to deepen its development capabilities, based on IC design, while also developing high-tech threshold integration solutions with the help of AI and software technology. In addition, based on client needs and market trends, it will expand the application areas of various platform products.

Sales expectation and basis

Driven by the launch of new projects and the mass production of new products, we are cautiously optimistic about the future and estimate that sales volume in 2025 is expected to reach 120 million to 160 million units.

Key production and sales policies

We will maintain close cooperation with strategic partners in Foundry and OSAT (Outsourced Semiconductor Assembly and Test) companies to improve production yields, strictly control inventory, and ensure the immediacy and stability of the supply chain. At the same time, we will continue to strengthen our services to existing customers and provide products and application solutions that are closer to their needs to expand new markets and new customers.

III. Future development strategy of the Company

In view of the fact that the intelligence of daily life products requires various sensor chips that interact with the real environment, the Company is committed to developing high-precision sensor circuits, combining digital and analog technologies to provide higher-performance mixed-signal solutions. At the same time, by combining data collection and AI reinforcement learning technology, the system sensing accuracy and reliability are improved to meet the market's needs for high-performance and intelligent applications. The

Company continues to focus on the dual platform technologies of "AIoT" and "mechatronics integration" and integrates key technologies such as sensor connection, motor control, heat dissipation and power processing to provide the best solution in AI edge joint control management.

Talent is the core competitiveness of the IC design industry. In addition to actively recruiting talents in the fields of analog circuits, sensors and AI applications, the Company has also improved the entire training and development mechanism to inject new impetus for growth. At the same time, it plans to establish cooperation with well-known research institutions and key industrial enterprises to accelerate the product development process, thus meeting the increasingly diversified needs of the market.

Regarding ESG (Environmental, Social, Governance), on issues such as climate change, net-zero and sustainable operations, the Company has established a sustainable development promotion team, which takes active actions from the aspects of "corporate governance", "R&D innovation", "sustainable environment" and "friendly workplace and social care", develops low-power energy-saving products, promotes carbon inventory and carbon reduction plans, and hopes to implement green operations with practical actions and strive for sustainability.

IV. Impact of external competition, regulations and overall business environment

"Generative AI" opens up unlimited possibilities and drives the vigorous development of various applications. At the same time, AI computing power begins to penetrate from the cloud to the edge. These technologies promote the comprehensive development of smart applications and bring more future growth opportunities to the semiconductor industry. However, the new changes in chip protectionism set off by "Trump 2.0" have made all chip manufacturers nervous. These policy adjustments, localization of supply chains, tariff protection and inflation are expected to have a considerable impact on the semiconductor industry.

In this era of great turbulence and opportunities, only by flexibly grasping market changes and strengthening technological innovation and industrial cooperation can we move forward and grow steadily amidst rapid global changes. In the face of opportunities and challenges, the Company will combine market and technology strategic partners, uphold the spirit of "PROLIFIC TECHNOLOGY, Exploring New Ideas" and continue to use research and development, innovation, and pragmatic business philosophy to provide customers with the best product solutions, and hope to optimize corporate competitiveness and adaptability to create maximum benefits for shareholders.

Finally, I would like to thank all shareholders for their continued support and encouragement.

Chang Ching-Tang
Chairman

II. Corporate Governance Report

1. Information on directors, general managers, vice presidents, directors, heads of departments and branches

(1) Directors

1. Information of directors

2025/4/6 ; Unit: thousand shares, %

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date elected	Term (year)	Date First Elected	Shareholding on Election Date		Current Shareholding		Spouse & Minor child Shareholding		Shares held in the name of others		Experience (Education)	Other Position	Executives, Directors or Supervisors who are Spouses or within Second Degree of Kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	R.O.C.	Chang Ching-Tang	Male 61-70 years old	2023.06.07	3	1997.11.13	7,264	9.13	7,264	8.96	892	1.10	0	0.00	- Ph.D. in Electrical Engineering, R.P.I. University (USA) - Manager of Electronic Communication, Industrial Technology Research Institute - General Manager of Prolific Technology Inc.	- Director, Prolific Technology (H.K.) Ltd. - Consultant, AMLI Materials Technology Co., Ltd. - Legal person director representative, Kelvin Thermal Technologies, Inc. - Consultant, Kelvin Thermal Technologies, Inc. (USA), Taiwan Branch	None	None	None	Note
Director	R.O.C.	Liu Tay-Ho	Male 71-80 years old	2023.06.07	3	2008.06.13	0	0.00	0	0.00	0	0.00	0	0.00	- Department of Electron Physics, National Chiao Tung University - EMBA from the Institute of Science and Technology Management, National Chengchi University - Investment Associate and Vice president of Innovative Industrial Technology Investment Corp. - Consultant, ITRI	-Special consultant of Development Center for Biotechnology; -Senior consultant of ASJade Technology Inc.	None	None	None	
Director	R.O.C.	Lin Chin-Shih	Male 61-70 years old	2023.06.07	3	2005.04.25	0	0.00	0	0.00	0	0.00	0	0.00	- Department of Accounting, Tamkang University - Certified Public Accountant of Lin Chin-Shih Certified Public Accountants	- CPA, Lin Chin-Shih Certified Public Accountants - Independent director, WIN Semiconductors Corp.	None	None	None	
Director	R.O.C.	Provista Inc.	N.A.	2023.06.07	3	2017.06.14	100	0.13	100	0.12	-	-	-	-	Chairman, AMLI Materials Technology Co., Ltd.	Legal person director, AMLI Materials Technology Co., Ltd.	None	None	None	
	R.O.C.	Legal person director representative: Lin Jian-Hong	Male 61-70 years old	2023.06.07	3	2008.06.13	90	0.11	90	0.11	0	0.00	0	0.0	- Master of Electrical Engineering, University of Southern California - Vice president, Ling Yueh Software Co., Ltd.	Consultant, Prolific Technology Inc.	None	None	None	

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date elected	Term (year)	Date First Elected	Shareholding on Election Date		Current Shareholding		Spouse & Minor child Shareholding		Shares held in the name of others		Experience (Education)	Other Position	Executives, Directors or Supervisors who are Spouses or within Second Degree of Kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Independent Director	R.O.C.	Cheng Ken-Yi	Male 61-70 years old	2023.06.07	3	2008.06.13	0	0.00	0	0.00	0	0.00	0	0.00	- Department of Accounting, Feng Chia University - Vice president, Hongyang Venture Capital Co., Ltd. - Underwriting Department assistant manager, Taiwan International Securities Co., Ltd. - General manager, Grand Fortune Securities	- Director, Grand Fortune Securities - Independent director, Holy Stone Enterprise Co., Ltd. - Director, Solytech Enterprise Corporation - Director, Leader Electronics Inc. - Legal person director representative, Fuyou Capital Co., Ltd., and Grand Fortune Venture Capital Consultant Co., Ltd.	None	None	None	
Independent Director	R.O.C.	Liu Chin-Tang	Male 61-70 years old	2023.06.07	3	2017.06.14	100	0.13	100	0.12	0	0	0	0.00	- Department of Accounting, Tamkang University - CPA, KPMG Taiwan (retired in 2006) - 21st session director, Association of Certified Public Accountants of Taiwan	- Independent director, Unizyx Holding Corporation - Independent director, Sino-American Silicon Products Inc.	None	None	None	
Independent Director	R.O.C.	Shih Kuo-Yang	Male 61-70 years old	2023.06.07	3	2020.06.10	0	0.00	0	0.00	0	0.00	0	0.00	- Master of Information Engineering, Tamkang University - General Manager of North District Information Business Department, Synnex Technology International Corporation - General manager, Dell Taiwan B.V., Taiwan Branch (Netherlands) - General Manager of Business Marketing Group, Compaq Computer Corporation - General manager, Key Win Computer Co., Ltd.	None	None	None		
Independent Director	R.O.C.	Hsu Cheng-Kun	Male 51-60 years old	2023.06.07	3	2023.06.07	0	0.00	0	0.00	0	0.00	0	0.00	- Bachelor of Laws, National Taiwan University - EMBA, College of Management, National Taiwan University) - Senior lawyer and partner, PCL Transasia Law Offices; - Director, Positive Thinking Law Firm	- Director, Positive Thinking Law Firm	None	None	None	

Note: In consideration of the fact that the chairman and general manager of the company are the same person, the reasons, rationality, necessity and future improvement measures are explained as follows:
Given the chairman's extensive experience and knowledge of the industry where the Company operates, as well as the challenge of finding a professional manager suitable for the job, it is necessary for the same person to act as both chairman and general manager. However, in order to strengthen the independence of the board of directors, more than half of its directors do not concurrently serve as employees or managers. Moreover, an audit committee has been set up. The 12th term of directors expired for re-election in 2023, and the number of independent directors has been increased from three to four in accordance with the regulations, and more than half of the directors shall not concurrently serve as employees or managers. This is to improve the functions of the board of directors and strengthen the supervisory function.

2. Major shareholders of institutional shareholders

Mar. 31, 2025

Name of Institutional Shareholder	Major shareholder of institutional shareholder
Provista Incorporation	Cyber Expertise Group Limited (100%)

3. Major shareholders of the Company's institutional shareholders

Mar. 31, 2025

Name of Institutional Shareholder	Major Shareholder
Cyber Expertise Group Limited	Lin Te-Min (100%)

4. Professional qualifications and analysis of independence of directors and supervisors

Criteria Name	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies where the Individual is Concurrently Serving as an Independent Director
Chang Ching-Tang	<ul style="list-style-type: none"> - Has work experience in the field of commerce and the Company's business for more than five years as well as extensive, professional and industry knowledge - Serves as chairman and general manager of the Company since its establishment more than 20 years ago - Not classified under any of the conditions defined in Article 30 of the Company Act 	-	None
Liu Tay-Ho	<ul style="list-style-type: none"> - Has work experience in the field of commerce and the Company's business for more than five years - Works as Investment Assistant Manager and Vice president at Innovative Industrial Technology Investment Corp. - ITRI Consultant with extensive, professional, and industry knowledge - Not classified under any of the conditions defined in Article 30 of the Company Act 	-	None
Lin Chin-Shih	<ul style="list-style-type: none"> - Practicing CPA - Has served as a director and supervisor of listed/OTC companies for many years - Has extensive accounting experience - Not classified under any of the conditions defined in Article 30 of the Company Act 	-	2

Criteria Name	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies where the Individual is Concurrently Serving as an Independent Director
Provista Inc. Director representative: Lin Jian-Hong	<ul style="list-style-type: none"> - Has work experience in the field of commerce and the Company's business for more than five years - Has extensive experience, serving as Vice president of Ling Yueh Software Co., Ltd. - Not classified under any of the conditions defined in Article 30 of the Company Act 	-	None
Cheng Ken-Yi (Independent director)	<ul style="list-style-type: none"> - Has work experience in the field of commerce and the Company's business for more than five years - Served as general manager of Grand Fortune Securities for many years - Currently a director in the securities and financial industry, and director in several electronics and semiconductor companies - Not classified under any of the conditions defined in Article 30 of the Company Act 	The four independent directors on the left have met the requirements of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act in the two years before their election and during their tenure. And each independent director also complies with Article 14-3 of the Securities and Exchange Act to fully participate in decision-making and express opinions to perform relevant duties.	1
Liu Chin-Tang (Independent director)	<ul style="list-style-type: none"> - CPA and worked as an accountant at KPMG Taiwan (retired in 2006) - Not classified under any of the conditions defined in Article 30 of the Company Act 		2
Shih Kuo-Yang (Independent director)	<ul style="list-style-type: none"> - Has work experience in the field of commerce and the Company's business for more than five years - Served as general manager of Dell Computer Taiwan Branch and general manager of the business marketing group of Compaq Computer Taiwan Branch. - Has extensive experience and marketing knowledge in the computer and information-product industry - Not classified under any of the conditions defined in Article 30 of the Company Act 		None
Hsu Cheng-Kun (Independent director)	<ul style="list-style-type: none"> - With a lawyer's license, he once served as a senior lawyer and partner of PCL Transasia Law Officers, and is currently the director of Positive Thinking Law Firm - Not classified under any of the conditions defined in Article 30 of the Company Act 		None

5. Diversity and independence of the board of directors

(1) Diversification of Board of Directors

- ① The diversity policy on the composition of the Company's directors is stipulated in Article 20 of the Company's code of corporate governance, in which Directors who concurrently serve as company managers

should not exceed one-third of the total number of board members. It is also established based on the Company's operations, operating methods and development needs. An appropriate diversity policy shall include but not be limited to the following standards:

1. Basic conditions and values: gender, age, nationality, culture, etc.
2. Professional knowledge and skills: professional background (e.g., law, accounting, industry, finance, marketing or technology), industry experience, etc.

Members of the board must generally have the knowledge, skills and experiences necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the board of directors as a whole should have the following capabilities:

1. Operational decision-making
2. Accounting and financial analysis
3. Administration and management
4. Crisis management
5. Industry knowledge
6. Global market perspective
7. Leadership
8. Policy decision-making

② Disclosure on the implementation of the board diversity policy:

- (i) The 13th session's board of directors comprises members with extensive experience and expertise in the fields of finance, business, management and the electronics & semiconductor industry. Chang Ching-Tang, Liu Tay-Ho and Lin Jian-Hong have strong business management and operational decision-making skills as well as deep industry knowledge. Liu Tay-Ho is a special research consultant at the Industrial Technology Research Institute while Lin Chin-Shih is a certified public accountant. The four independent directors; namely, Cheng Ken-Yi, Liu Chin-Tang, Shih Kuo-Yang and Hsu Cheng-Kun, specialize in business. Cheng Ken-Yi currently serves as a director in the securities and financial industry, and also as a director in a number of electronics and semiconductor companies. He helps provide the Company with relevant knowledge and contacts in the financial markets and the electronics & semiconductors industry. Liu Chin-Tang is a CPA in Taiwan and has retired in 2006. In addition to providing knowledge and guidance in financial statement analysis, Mr. Liu is also committed to promoting the Company's corporate governance practices in terms of knowledge construction. Shih Kuo-Yang has extensive marketing knowledge and experience in the computer and information technology industry. Hsu Cheng-Kun, as a practicing lawyer, he can provide legal advice on the Company.
- (ii) The proportion of independent directors in the Company is 50%, of which the tenure of three independent directors is less than nine years, and the tenure of one independent director is about 16 years. One of the eight directors is between 71 and 80 years old, six of the eight directors are between 61 and 70 years old, and one is between 51 and 60 years old.

Name \ Diversity core competence	Basic Components							Industry Experience					Professional Ability				
	Country of Citizenship	Gender	Director concurrently serves as employee	Age		Independent Director tenure			Management	Business and supply	Semiconductor and electronic components	Information technology	Finance	Accounting	Business	Law	Risk Management
				51-60 years old	61-70 years old	71-80 years old	under 3 ears	3 to 9 years									
Chang Ching-Tang	R.O.C.	Male	✓		✓				✓	✓	✓	✓			✓		✓
Liu Tay-Ho	R.O.C.	Male				✓			✓	✓	✓	✓			✓		
Lin Chin-Shih	R.O.C.	Male			✓				✓				✓	✓			✓
Provista Inc. legal person representative: Lin Jian-Hong	R.O.C.	Male	✓		✓				✓	✓	✓	✓			✓		
Cheng Ken-Yi	R.O.C.	Male			✓			✓	✓	✓			✓	✓	✓		✓
Liu Chin-Tang	R.O.C.	Male			✓			✓	✓				✓	✓			✓
Shih Kuo-Yang	R.O.C.	Male			✓		✓		✓	✓	✓	✓			✓		
Hsu Cheng-Kun	R.O.C.	Male		✓			✓		✓							✓	

(iii) The orientation, complementarity and implementation of director diversity are included in the standards set out in Article 20 of the "Code of Practice for Corporate Governance for Listed OTC Companies". However, there is still a shortage of female directors. It is expected that the number of female directors will be increased when the term of directors expires in 2026. The quota for female directors will be updated in a timely manner at the end of each term, depending on the board's operation, operating type and development needs, including but not limited to two major standards: basic conditions and values, and professional knowledge and skills, to ensure that board members should generally possess the necessary knowledge, skills and qualities to perform their duties.

(2) Independence of the board of directors:

The selection process of all directors of the Company is open and fair, thus complying with the Company's "Articles of Association", "Corporate Governance Code", "Appointment of Independent Directors and Compliance Matters for Public Companies", "Securities Exchange Law Article 14-2", and so on. The current board of directors is composed of eight directors, including four independent directors, accounting for 50% of all directors; two are concurrently employees of the Company (Chang Ching-Tang and Lin Jian-Hong, legal person representative of Provista Inc.), accounting for 25% of all directors. Only two of the directors (the chairman of the legal person director Provista Inc. and the Company's chairman Chang Ching-Tang) have a second-degree of kinship by marriage, while the rest of the directors have no spouses or relatives within the second degree of kinship, which complies with Clause 3 and Clause 4 of Article 26-3 of the Securities Exchange Act.

(2) General Manager, Vice Presidents , Directors, Heads of Departments and Branches

April 6, 2025 ; Unit: thousand shares 、%

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Child Shareholding		Shares held in the name of others		Experience (Education)	Other Position	Managers who are Spouses or Within Second Degree of Kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	R.O.C.	Chang Ching-Tang	Male	2022.11.08	7,264	8.96	892	1.10	0	0.00	- Ph.D. in Electrical Engineering, R.P.I. University, USA - Manager of Electronic Communication, Industrial Technology Research Institute - General Manager of Prolific Technology Inc.	- Director, Prolific Technology (H.K.) Ltd. - Consultant, AMLI Materials Technology Co., Ltd. - Legal person director representative, Kelvin Thermal Technologies, Inc. - Consultant, Kelvin Thermal Technologies, Inc. (USA), Taiwan Branch	None	None	None	Note
Chief Financial Officer, Corporate Governance Officer	R.O.C.	Lin Ting-Yu	Male	2025.03.05	0	0.00	0	0.00	0	0.00	-Bachelor of Finance, National Sun Yat-Sen University -Chief Financial Officer, Bellwether Electronic Corp. -Senior Director, Nishoku Technology Inc. -Audit Supervisor, Nishoku Technology Inc.	Consultant, Kelvin Thermal Technologies, Inc. (USA), Taiwan Branch	None	None	None	
Chief Accounting Officer	R.O.C.	Liao Yu-Mei	Female	2020.04.01	0	0.00	0	0.00	0	0.00	- Business Administration Section, Ling Tung University - Deputy Director of Accounting Department, Speed Tech Corp. - Deputy Manager of Accounting Department, Prolific Technology Inc.	None	None	None		

Note: In consideration of the fact that the chairman and general manager of the company are the same person, the reasons, rationality, necessity and future improvement measures are explained as follows:

Given the chairman's extensive experience and knowledge of the industry where the Company operates, as well as the challenge of finding a professional manager suitable for the job, it is necessary for the same person to act as both chairman and general manager. However, in order to strengthen the independence of the board of directors, more than half of its directors do not concurrently serve as employees or managers. Moreover, an audit committee has been set up. The 12th term of directors expired for re-election in 2023, and the number of independent directors has been increased from three to four in accordance with the regulations, and more than half of the directors shall not concurrently serve as employees or managers. This is to improve the functions of the board of directors and strengthen the supervisory function.

2. Remuneration of directors, supervisors, general manager and vice presidents in the most recent years

(1) Remuneration of general directors and independent directors

Dec. 31, 2024 Unit: NT\$ thousand ; %

Title	Name	Remuneration								A, B, C and D, the total amount and the proportion of the after-tax net profit (loss) (%) (Note4)		Remuneration Received as Employee								A, B, C, D, E, F and G, the total amount and the proportion of the after-tax net profit (loss) (%) (Note 4)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A) (Note1)		Retirement Pension (B)		Directors Compensation (C) (Note 2)		Business Expense (D) (Note 3)				Salary, Bonuses, and Allowances (E) (Note 5)		Retirement Pension (F) (Note 6)		Employee Compensation (G) (Note 7)						
		The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company		All Companies In Financial Statements		The Company	All Companies In Financial Statements	
																Cash	Stock	Cash	Stock			
Chairman	Chang Ching-Tang	2,400	2,400	-	-	287	287	-	-	2,687 9.37%	2,687 9.37%	4,486	4,486	22	22	286	-	286	-	7,481 26.10%	7,481 26.10%	1,740
Director	Liu Tay-Ho																					
Director	Lin Chin-Shih																					
Director	Provista Inc.																					
Legal person director representative	Lin Jian-Hong	3,360	3,360	-	-	286	286	-	-	3,646 12.72%	3,646 12.72%	-	-	-	-	-	-	-	-	3,646 12.72%	3,646 12.72%	-
Independent Director	Cheng Ken-Yi																					
Independent Director	Liu Chin-Tang																					
Independent Director	Shih Kuo-Yang																					
Independent Director	Hsu Cheng-Kun																					
<div>1. Please explain the payment policy, system, standard and structure of remuneration of independent directors, as well as remuneration (amount) in relation to their responsibilities, risks, investment time and other factors: The remuneration of the Company's independent directors has been resolved by the Remuneration Committee and the Board of Directors: Their fixed remuneration is the same as that of general directors, however, since all independent directors also serve as members of the Audit Committee and the Compensation Committee, they are responsible for participating in committee meetings and making decisions, and are accordingly compensated for their roles on each functional committee. According to the resolution of the Remuneration Committee and the Board of Directors on March 4, 2025, 1.6% of the annual profit in 2024 shall be allocated for director remuneration and determined by the Remuneration Committee individually based on duties, contributions, performance, and future risks of the Company. After deliberation, the proposal shall be sent to the Board of Directors for resolution.</div> <div>2. Except for those disclosed in the above table, the remuneration received by Company directors for providing services (such as serving as consultants who are not employees, etc.) to all companies included in this financial report in the most recent year: None.</div>																						

Note 1: Refers to the director's remuneration in the most recent year (including director salary, job bonus, severance pay, various bonuses, incentives, etc.)

Note 2: Fill in the amount of directors' remuneration (i.e., estimated amount) approved by the board of directors in the most recent ye

Note 3: Refers to relevant business execution expenses of directors in the most recent year (including transportation expenses, special expenses, various allowances, housing, company car and other actual items provided). If housing, vehicles and other means of transportation or exclusive personal expenses are provided, the nature and cost of these assets, actual or estimated rent at fair market value, fuel and other payments must be disclosed.

Note 4: The after-tax net profit refers to the after-tax net profit (loss) in the Company's latest annual individual financial statement.

Note 5: Refers to recent annual remuneration of directors and employees (including concurrent general managers, vice presidents, other managers and employees), including salary, post bonus, severance pay, various bonuses, rewards, travel expenses, special expenses, various allowances, dormitory, car plan, items provided, etc. If housing, vehicles and other means of transportation or exclusive personal expenses are provided, the nature and cost of these assets, actual or estimated rent at fair market value, fuel and other payments must be disclosed. The compensation given by the Company to a driver (if there is one) should be noted; however, this is not included in the remuneration. In addition, salary expenses specified in accordance with the IFRS 2 "Share-Based Payment", including the acquisition of employee stock option certificates, restriction on employee right to obtain new shares, and participation in capital increase through share subscription, etc., must also be included in the remuneration.

Note 6: Appropriation amount of concurrent retirement pay in 2024.

Note 7: Refers to remuneration (including stock and cash) received by directors and employees (including general manager, vice president, other managers and employees) in the most recent year, and disclosure of employee remuneration (estimated amount) distributed by the board of directors in the most recent year.

Range of Remuneration

Range of Remuneration	Name of Directors			
	The total amount of the first four remuneration (A+B+C+D)		The total amount of the first seven remuneration (A+B+C+D+E+F+G)	
	The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements
Less than NT\$1,000,000	Chang Ching-Tang Liu Tay-Ho Lin Chin-Shih Provista Inc. Cheng Ken-Yi Liu Chin-Tang Shih Kuo-Yang Hsu Cheng-Kun	Chang Ching-Tang Liu Tay-Ho Lin Chin-Shih Provista Inc. Cheng Ken-Yi Liu Chin-Tang Shih Kuo-Yang Hsu Cheng-Kun	Liu Tay-Ho Lin Chin-Shih Provista Inc. Lin Jian-Hong Cheng Ken-Yi Liu Chin-Tang Shih Kuo-Yang Hsu Cheng-Kun	Liu Tay-Ho Lin Chin-Shih Provista Inc. Lin Jian-Hong Cheng Ken-Yi Liu Chin-Tang Shih Kuo-Yang Hsu Cheng-Kun
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)				
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)				
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)				
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)			Chang Ching-Tang	Chang Ching-Tang
NT\$10,000,000(inclusive) - NT\$15,000,000 (exclusive)				
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)				
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)				
More than NT\$100,000,000				
Total	8 persons	8 persons	9 persons	9 persons

(2) Supervisor's remuneration: Not applicable. The company has set up an audit committee to replace the supervisor on June 10, 2020.

(3) Remuneration of general manager and vice president

December 31, 2024 Unit: NT\$ thousand

Title	Name	Salary (A) (Note 1)		Retirement pension (B) (Note 2)		Bonuses, special expenses, etc. (C) (Note 3)		Employee remuneration (amount) (D) (Note 4)				Total of the four items A, B, C and D and their percentages in net profit (loss) after tax (%) (Note 5)		Remuneration from reinvestment business outside the subsidiary or parent company
		The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company		All Companies In Financial Statements		The Company	All Companies In Financial Statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Chang Ching-Tang	3,331	3,331	0	0	824	824	286	-	286	-	4,441 15.49%	4,441 15.49%	1,740

Note 1: Refers to the salary, job bonus, and severance pay of the general manager and vice president in the most recent year. However, the Company currently has no vice president.

Note 2: Refers to pension appropriation in 2024.

Note 3: Refers to the amount of various bonuses, rewards, transportation expenses, special expenses, various allowances, dormitories, car plan and other forms of remuneration provided for the general manager and vice president in the most recent year. If housing, automobiles and other means of transportation or exclusive personal expenses are provided, the nature and cost of these assets, actual or estimated rent at fair market value, fuel and other payments shall be disclosed. The compensation given by the Company to a driver (if there is one) should be noted; however, this is not included in the remuneration. In addition, salary expenses specified in accordance with the IFRS 2 "Share-Based Payment", including the acquisition of employee stock option certificates, restriction on employee right to obtain new shares, and participation in capital increase through share subscription, etc., must also be included in the remuneration.

Note 4: Refers to employee remuneration (including stocks and cash) distributed by the board of directors to the general manager and vice president in the most recent year, which is an estimated amount

Note 5: The after-tax net profit refers to the after-tax net profit (loss) in the Company's latest annual individual financial statement.

Remuneration Range Table

Remuneration range provided for general managers and vice presidents of the Company	Name of general manager and vice president	
	The Company	All companies included in the financial statements
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)		
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	Chang Ching-Tang	Chang Ching-Tang
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)		
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)		
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)		
More than NT\$100,000,000		
Total	One person	One person

- (4) Remuneration of five highest paid executives: Not applicable
- (5) The name of the manager responsible for the distribution of employee remuneration and the status of distribution:

March 31, 2025 Unit: NT\$ thousand

	Title	Name	Stock amount	Cash Amount (Note 1)	Total	Ratio of total amount to net profit after tax (%)
Manager	General Manager	Chang Ching-Tang	0	458	458	1.60%
	Chief Financial Officer	Lin Ting-Yu (Note 2)				
	Corporate Governance Officer					
	Chief Accounting Officer Assistant Manager	Liao Yu-Mei				
	Director Former Chief Financial Officer and Corporate Governance Officer	Chang Hsi-Kung (Note 2)				

Note1: Estimated figure

Note2: The job adjustment took effect on 2025/3/5.

- (6) Analysis of the ratio of the total remuneration of Company directors, supervisors, general managers and vice presidents in the last two years and all companies indicated in the consolidated financial statements to the proportion of after-tax net profit, as well as explanation of the remuneration policy and standards, relationship portfolios, remuneration procedures, business performance and future risks:

Title	The ratio of total remuneration to after-tax net profit (loss)			
	2023		2024	
	The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements
Directors	186.72%	186.72%	22.09%	22.09%
Supervisors	Not applicable	Not applicable	Not applicable	Not applicable
General managers and vice president	159.85%	159.85%	15.49%	15.49%

The Company's net profit after tax for 2024 was NT\$28,663,061. The Remuneration Committee and the Board of Directors approved cash distribution on March 4, 2025: Employee remuneration was NT\$3,581,794, and director remuneration was NT\$573,088. The main reason for the significant decrease in the proportion in 2024 is that the net profit after tax for that year increased by approximately NT\$25,771 thousands compared with 2023. The Company held a re-election on June 10, 2020 and set up an audit committee to replace the supervisor. Hence, there was no compensation for the supervisor.

In accordance with article 22 of Articles of Incorporation of the Company, the remuneration of the chairman and directors is authorized to be decided by a Board of Director's meeting depending on their involvement in the Company's operation and value of contribution to the Company, with the standard generally adopted by other local or foreign enterprises in the same industry.

Considering that independent directors are members of the Audit Committee and Remuneration Committee and are responsible for participating in discussions and resolutions at committee meetings, remuneration is paid to each functional member separately.

In accordance with article 25 of Articles of Incorporation of the Company, when company makes a profit in the year (the so-called profit means the pre-tax benefits deducted the benefits before the distribution of employee remuneration and directors' remuneration), it shall be allocated not more than 2% for directors' remuneration. Remuneration is proposed by the Remuneration Committee and implemented after approval by the Board of Directors.

The remuneration of the general manager and vice president is determined based on the following factors: position held, responsibilities undertaken, and the Company's profit status, while considering industry standards. This proposal must be presented by the Remuneration Committee and implemented after a resolution is passed by the board of directors. If the Company makes a profit during the year and in accordance with the payment policy of the company's articles of association, no less than 6% of the profit for that year (the so-called profit refers to the profit before tax deducting the distribution of employee remuneration and director's remuneration) shall be allocated to employees. Remuneration is proposed by the Remuneration Committee and implemented after approval by the Board of Directors.

The Company also considers factors such as industry growth in the coming year, company expansion policy, and cash flow, and makes timely adjustments accordingly, so that the Company has sufficient funds to prepare for uncertain operating risks in the future.

3. Corporate governance

(1) Board Operations

1. Information on the operations of the board of directors

In 2024, the board of directors held five The attendance of directors is as follows:

Title	Name	Actual attendance	Proxy attendance	Actual attendance rate	Remark
Chairman	Chang Ching-Tang	5	0	100	
Director	Liu Tay-Ho	5	0	100	
Director	Lin Chin-Shih	5	0	100	
Director	Lin Jian-Hong representative of Provista Inc.	5	0	100	
Independent director	Cheng Ken-Yi	5	0	100	
Independent director	Liu Chin-Tang	5	0	100	
Independent director	Shih Kuo-Yang	4	1	80	
Independent director	Hsu Cheng-Kun	5	0	100	

Note: The actual attendance rate (%) is calculated based on the number of meetings held by the board of directors and the number of actual attendances during the director's tenure.

Other matters to be recorded:

1. If any of the following conditions occur during the operations of the board of directors, the date, period, content of the proposal, opinions of all independent directors, and the company's handling of independent directors' opinions must be stated:

(1) Matters listed in Article 14-3 of the Securities and Exchange Act:

Board meeting date per session	Proposal content and resolution status	Independent director opinions	The Company's handling of independent directors' opinions	Objections or reservations expressed by independent directors that are included in records or stated in writing
2024/01/16 5th meeting of the 13th session	Proposal: Distribution of 2023 year-end bonus distribution to managers of the Company. Resolution: Passed as proposed.	None	None	None
	Proposal: Appointment of Company accountant and CPA service fee. Resolution: Passed as proposed.	None	None	None
2024/11/05 9th meeting of the 13th session	Proposal: To establish the company's "Sustainability Report Preparation and Reporting Operational Procedures" and "Sustainability Information Management Operational Measures". Resolution: Passed as proposed.	None	None	None
	Proposal: To revise the Company's "Internal Control Systems" and "Internal Audit Implementation Rules". Resolution: Passed as proposed.	None	None	None

(2). In addition to the above-mentioned matters, other board resolutions objections or reservations expressed by independent directors that had been recorded or stated in writing: None

2. When a director chooses to avoid a conflict of interest with regard to a proposal, it is necessary to state the name of the director, the content of the proposal, the reason for avoiding a conflict of interest, and his voting participation:

Board meeting date per session	Name of director	Proposal content	Avoidance of conflict of interest	Voting participation
2024/01/16 5th meeting of the 13th session	Chang Ching-Tang	Distribution of 2023 year-end bonus distribution to managers of the Company	Chairman concurrently serves as general manager.	Recusal from voting in accordance with the law. The proposal was approved after the Acting Chairman consulted with the other directors present.

3. Implementation status of board evaluation:

On November 6, 2019, the Company passed the 13th meeting of the 11th Board of Directors and formulated the "Board of Directors Performance Evaluation Method" to improve the operational functions of the Board. On May 7, 2024, the 7th meeting of the 13th Board of Directors passed the resolution to abolish the original method and re-formulate the "Board of Directors and Functional Committee Performance Evaluation Methods".

The Company's board of directors must conduct an internal performance evaluation at least once a year. The internal evaluation period should be at the end of each year, and the performance evaluation of the

current year should be carried out in accordance with evaluation indicators and evaluation procedures specified in Articles 3 and 4 under Measures.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	2024/1/1~ 2024/12/31	Board of Directors	Internal self-assessment of the board of directors	Must include the degree of participation in Company operations, the decision-making quality of the board of directors, the board's composition and structure, the selection and appointment of directors and continuous study, internal control, etc.
		Individual Directors	Self-assessment of board members	Must include understanding of company goals and tasks, awareness of directors' responsibilities, and degree of participation in company operations, internal relationship management and communication, professionalism and continuous study of directors' duties, internal control, etc.
		Audit Committee	Self-assessment of Audit Committee	The degree of participation in Company operations, understanding of responsibilities of functional committees, the quality of decision-making, committee composition and member selection, internal control, etc.
		Remuneration Committee	Self-assessment of Remuneration Committees	The degree of participation in Company operations, understanding of responsibilities of functional committees, the quality of decision-making, committee composition and member selection.

The Company's 2024 self-evaluation of the Board of Directors and Functional Committees was completed and the evaluation forms were collected in January 2025. The evaluation results were summarized and scored.

The self-assessment result of the 2024 board performance appraisal was "excellent". The evaluation results showed that the overall operation of the Board of Directors of the Company was good and adhered to the principles of corporate governance. Hence, the Company will effectively strengthen the functions of the board of directors and safeguard the rights and interests of shareholders.

In 2024, the self-assessment results of the performance of directors were "excellent," denoting positive evaluation of the operational efficiency and effectiveness of Company directors based on various assessment indicators.

In 2024, the self-assessment result of the performance appraisal of the Audit Committee was "excellent". The evaluation results showed that the overall operation of the Functional Committee was outstanding and complied with good corporate governance.

In 2024, the self-assessment result of the performance appraisal of the Remuneration Committee was "excellent". The evaluation results showed that the overall operation of the Functional Committee was outstanding and complied with good corporate governance.

The implementation status and results of this evaluation were reported to the Remuneration Committee and the Board of Directors on March 4, 2025.

4. Evaluation of the current year and the most recent year to strengthen the functional objectives of the board of directors (e.g., establishment of an audit committee, improvement of information transparency, etc.) and implementation status:

- (1) Since 2023, the Company has compiled the English version of the procedure manual and the annual report of the shareholders' meeting in accordance with the regulations, and uploaded them to the MOPS in advance before the legal deadline.
- (2) Formulate the “Sustainable Development Practice Principles”, “Risk Management Policies and Procedures”, “Sustainability Report Preparation and Reporting Operational Procedures” and “Sustainability Information Management Operational Measures”, and include the supervision of risk management and information security management in the responsibilities of the Audit Committee on November 5, 2024.
- (3) Set up an ESG promotion working group on November 5, 2024.
- (4) The "Audit Committee Organization Charter" was amended and the Audit Committee was renamed the Audit and Risk Committee on January 14, 2025.

(2) The Audit Committee's participation in the operations of the Board of Directors:

1. Professional qualifications of Audit Committee members:

The Company's Audit Committee is composed of four independent directors. Please refer to page 7 of this annual report for the professional qualifications and experience of the members.

On January 14, 2025, the "Audit Committee Organizational Charter" was revised to the "Audit and Risk Committee Organizational Charter" and renamed the Audit and Risk Committee.

2. Audit Committee Operations:

(1) The Audit Committee's annual deliberations and key tasks:

The Company set up an audit committee on June 10, 2020. In conjunction with the re-election of directors at the expiration of their term of office on June 7, 2023, the second Audit Committee consist of four independent directors. Its purpose is to assist the board of directors in supervising the Company's quality and integrity in the implementation of accounting, auditing, financial reporting processes and financial controls.

The committee held five meetings in 2024, and its deliberations mainly include:

- ① Quarterly and semi-annual financial reports and annual final accounts;
- ② The 2023 Earnings Distribution;
- ③ Evaluation of the effectiveness of the internal control system;
- ④ Independence and performance evaluation of certified accountants;
- ⑤ Appointment, dismissal or remuneration of certified accountants;
- ⑥ Amendment of the Company's “General Principles for Pre-approval of Unconfirmed Service Policy”;
- ⑦ To establish the Company's “risk management policies and procedures”;
- ⑧ To establish the Company's “Sustainability Report Preparation and Reporting Operational Procedures” and “Sustainability Information Management Operational Measures”;
- ⑨ The amendment of “Internal Control Systems” and “Internal Audit Implementation Rules”;
- ⑩ The 2025 internal audit plan of the Company.

• Review of financial reports

The Company's 2023 annual business report, financial report (including consolidated financial report) and earnings distribution proposal prepared

by the board of directors, among which the financial report (including consolidated financial report) has been audited by both Huang Yung-Hua and Yu Sheng-He from KPMG Taiwan (KPMG International Limited) and an audit report has been issued. The above-mentioned tables and records are checked by the Audit Committee and there is no discrepancy.

- Assessment of the effectiveness of the internal control system

The Audit Committee evaluates the effectiveness of the policies and procedures of the Company's internal control system (including control measures such as finance, operations, risk management, information security, and compliance with laws and regulations), and reviews the periodic reports of the Company's audit department, certified accountants, and management, including risk management and legal compliance. In addition, it evaluates whether the design and implementation of the Company's internal control system are effective based on the criteria stipulated in the "Guidelines for the Establishment of Internal Control Systems by Publicly Listed Companies".

- Appointment of certified accountants

On January 16, 2024, the 3th meeting of the 2st session of the Audit Committee and the 5th meeting of the 13th session of the Board of Directors reviewed and approved the qualifications of both accountants Huang Yung-Hua and Yu Sheng-He of KPMG Taiwan (KPMG International Limited) who have met the evaluation criteria for independence and thus, can continue serving as certified accountants of the Company.

- To establish the company's "Risk Management Policies and Procedures".

- To establish the Company's "Sustainability Report Preparation and Reporting Operational Procedures" and "Sustainability Information Management Operational Measures";

- The amendment of "Internal Control Systems" and "Internal Audit Implementation Rules"

Cooperate with needs such as the preparation of sustainability reports and regulations of competent authorities, to revise "Internal Control Systems" and "Internal Audit Implementation Rules".

(2) The Audit Committee held six meetings in 2024 (A). The attendance of independent directors is as follows:

Title	Name	Actual Attendance (B)	Proxy Attendance	Actual attendance rate (%) (B/A) (Note)	Remark
Independent Director	Liu Chin-Tang	5	0	100	
Independent Director	Cheng Ken-Yi	5	0	100	
Independent Director	Shih Kuo-Yang	4	1	80	
Independent Director	Hsu Cheng-Kun	5	0	100	

Note: The actual attendance rate (%) is calculated based on the number of audit committee meetings and the number of actual attendances during the director's tenure.

Other matters to be recorded:

1. If any of the following conditions occur during the operations of the Audit Committee, the date, session, content of the proposal, the result of the resolution of the Audit Committee, and the Company's handling of the opinions of the Audit Committee must be stated:

(1) Matters listed in Article 14-5 of the Securities and Exchange Law

Audit Committee meeting date and session	Board of Directors meeting date and session	Proposal content and resolution	The Company's handling of the Audit Committee's opinions
2024/01/16 3 rd meeting of the 2 nd session	2024/01/16 5 th meeting of the 13 th session	Proposal: Appointment of Company accountant and CPA service fees. Resolution: Passed as proposed.	All directors present agreed to adopt the proposal.
		Proposal: To approve the revision of the Company's "General Principles of Pre-approval Non-Confidence Service Policy". Resolution: Passed as proposed.	All directors present agreed to adopt the proposal.
2024/03/05 4 th meeting of the 2 nd session	2024/03/05 6 th meeting of the 13 th session	Proposal: The Company's 2023 business report and financial reports. Resolution: Passed as proposed.	All directors present agreed to adopt the proposal.
		Proposal: The Company's 2023 earnings distribution. Resolution: Passed as proposed.	All directors present agreed to adopt the proposal.
		Proposal: To approved the distribution of capital surplus in cash. Resolution: Passed as proposed.	All directors present agreed to adopt the proposal.
		Proposal: The Company's 2023 internal control statements. Resolution: Passed as proposed.	All directors present agreed to adopt the proposal.
2024/05/07 5 th meeting of the 2 nd session	2024/05/07 7 th meeting of the 13 th session	Proposal: The Company's consolidated financial statements for the first quarter of 2024. Resolution: Passed as proposed.	All directors present agreed to adopt the proposal.
2024/08/06 6 th meeting of the 2 nd session	2024/05/07 8 th meeting of the 13 th session	Proposal: The Company's consolidated financial report for the second quarter of 2024. Resolution: Passed as proposed.	All directors present agreed to adopt the proposal.
2024/11/05 7 th meeting of the 2 nd session	2024/11/05 9 th meeting of the 13 th session	Proposal: The Company's consolidated financial report for the third quarter of 2024. Resolution: Passed as proposed.	All directors present agreed to adopt the proposal.
		Proposal: To establish the company's "Risk Management Policies and Procedures". Resolution: Passed as proposed.	All directors present agreed to adopt the proposal.
		To establish the Company's "Sustainability Report Preparation and Reporting Operational Procedures" and "Sustainability Information Management Operational Measures"; Resolution: Passed as proposed.	All directors present agreed to adopt the proposal.
		Proposal: To revise the Company's "Internal Control Systems" and "Internal Audit Implementation Rules". Resolution: Passed as proposed.	All directors present agreed to adopt the proposal.
		Proposal: Plan to formulate the Company's 2025 internal audit plan. Resolution: Passed as proposed.	All directors present agreed to adopt the proposal.

- (2) Except for the above-mentioned matters, other matters for resolution that have not been approved by the Audit Committee but approved by more than two-thirds of all directors: None
2. In the event of an independent director's recusal in a proposal due to conflict of interest, state the name of the independent director, the content of the proposal, the reason for director's recusal, and voting participation: None
3. Communications between independent directors, internal audit supervisors, and accountants (should include vital matters, methods, and results of communication on the Company's financial and business conditions, etc.).
- (1) Communication methods between independent directors, internal audit supervisors and accountants:
1. The Company's audit committee, composed of all independent directors, invites accountants to attend closed meetings at least once a year. On 2024/3/5 and 2024/11/5, accountants communicated and discussed in the Board of Directors regarding the audit results of the 2023 annual financial report, the 3rd quarter financial report of 2024, corporate governance and recent relevant legal amendments that should be noted. The result: independent directors expressed no opinions.
 2. The internal audit supervisor regularly submits the internal audit report to independent directors for review, and reports to them the implementation of the Company's internal audit business. In addition, the audit committee communicates and discusses with the audit manager at least once a year. On March 5, 2024, independent directors expressed no opinion about the result of communication.

(2) Summary of communication between independent directors and audit supervisors in 2024:

Date	Communication matters	Communication results
2024/03/05	Internal audit business execution report for the fourth quarter of the 2023.	Agree with the audit findings.
2024/05/07	Internal audit business execution report for the first quarter of the 2024.	Agree with the audit findings.
2024/08/06	Internal audit business execution report for the second quarter of the 2024.	Agree with the audit findings.
2024/11/05	Internal audit business execution report for the third quarter of the 2024.	Agree with the audit findings.

(3) The Company's governance implementation status and deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies:

Evaluation Criteria	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Y	N	Summary Description	
1. Has the company established and disclosed its Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has established Corporate Governance Best-Practice Principles based on the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies". The information has been disclosed on the Corporate Governance section of Company's website.	No major deviation
2. Shareholding structure & shareholders' rights (1) Has the company established an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure? (2) Does the company have a list of its major shareholders as well as the ultimate owners of those shares? (3) Has the company established and executed risk management and firewall systems within its conglomerate structure? (4) Has the company established internal regulations to prohibit corporate insiders from using undisclosed information in the market to buy and sell securities?		✓ ✓ ✓ ✓	(1) The Company has not specifically formulated internal operating procedures, but has designated spokespersons, acting spokespersons and personnel to handle matters such as shareholders' suggestions or disputes, and has listed the contact information of the assigned personnel on the investor relations window of the shareholder section of the Company's website. (2) The Company's stock affairs are handled by "KGI Securities Co., Ltd. Stock Affairs Agency Department", and the company has a corresponding stock affairs window, that can effectively identify the list of major shareholders. (3) The financial business of the Company and affiliated companies are independent, and effective risk control is carried out through the "transaction procedures between group companies, specific companies and related parties". (4) The Company has formulated the "Internal Material Information Processing Procedures", which include insider prevention management.	No major deviation
3. Composition and Responsibilities of the Board of Directors (1) Has the Board developed and implemented a diversity policy for the composition of its members?	✓		(1) Article 20 of the Company's Code of Corporate Governance stipulates the abilities and basic conditions, professional knowledge and skills required for maintaining board diversity. At present, most members	No major deviation

Evaluation Criteria	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	Summary Description	
<p>(2) Has the company voluntarily established other functional committees in addition to the Remuneration Committee and Audit Committee?</p> <p>(3) Has the company established a standard to measure the performance of the Board and implemented it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for re-election?</p> <p>(4) Does the company regularly evaluate the independence of CPAs?</p>		<p>✓</p> <p>✓</p> <p>✓</p>	<p>of the board of directors meet the conditions, and the implementation of the diversity policy is disclosed on the company website and on pages 6 ~ 9 of this annual report.</p> <p>(2) The Company has already set up a Remuneration Committee on 2011/10/25; the Audit Committee was established on 10 June 2020 and renamed as the Audit and Risk Committee on 14 January 2025, incorporating risk management and information security management responsibilities. There are currently no other types of functional committees planned.</p> <p>(3) The Company has formulated the performance evaluation method and handling method of the board of directors. The performance evaluation results of the board of directors in 2024 will be submitted to the board of directors on March 4, 2025. Please refer to page 16 ~ 17 of this annual report for the evaluation.</p> <p>(4) The Company regularly evaluates the independence and performance of certified public accountants, and has separate evaluation forms for item-by-item inspection. The latest evaluation results were submitted to the board of directors on January 14, 2025. Please refer to page 46 ~ 47 of this annual report for the independent assessment items of accountants.</p>	
<p>4. Has the company appointed a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?</p>	✓		<p>On January 10, 2023, the Company's board of directors designated a corporate governance officer in charge of corporate governance-related affairs. However, various corporate governance concerns that need to be addressed in accordance with relevant laws and regulations should be handled by various departments based on their duties and scope.</p> <p>For information on the training status of corporate governance managers in 2024, please refer to "Managers' participation in corporate governance-related training status in 2024" on page 49 of this annual report.</p>	No major deviation

Evaluation Criteria	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	Summary Description	
5. Has the company established communication channels for stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.), and set up a dedicated area for stakeholders on the company website, and properly respond to the important corporate social responsibility issues that stakeholders are concerned about?	✓		The Company's website has set up a special area for stakeholders, and a stakeholder window, where dedicated personnel are assigned to respond to issues that concern stakeholders.	No major deviation
6. Has the company appointed a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed KGI Securities' Stock Affairs Agency Department to handle shareholder concerns.	No major deviation
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standing and status of corporate governance? (2) Does the company have other information disclosure channels (e.g. building an English website, designating personnel to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? (3) Has the company announced and reported its annual financial statements within two months after the end of each fiscal year, as well as Q1, Q2, and Q3 financial statements, and monthly operation results, before the prescribed time limit?	✓ ✓	 ✓	(1) There are separate areas on the Company's website for financial information and corporate governance. (2) The language of the Company's website is interchangeable (i.e., Chinese, English, and Japanese), and a special person is assigned to update and disclose relevant information. The website also has a shareholder area-investor relationship window and information on legal person seminars. (3) At present, the Company's annual financial report has not been announced and submitted within two months after the end of the fiscal year. The rest of the financial reports for the first to third quarters and the operating conditions of each month are announced and reported before the prescribed deadline.	No major deviation
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer relations policies, and purchase of	✓		(1) Please refer to pages 6 ~ 9, 46 ~ 47, 42 ~ 53 of this annual report for the implementation of board diversity, independence assessment of accountants, and the code of ethical conduct for directors and managers. (2) Employee benefits and employee care, please refer to pages 87 ~ 89 of this annual report. (3) For investor relations, supplier relations, and rights of interested parties, please refer to the company's website - Stakeholders Zone. (4) Training status of directors and	No major deviation

Evaluation Criteria	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary Description	
insurance for directors and supervisors)?			<p>managers: Please refer to pages 47 ~ 49 of this annual report.</p> <p>(5) Implementation of risk management policies and risk measurement standards: Please refer to pages 50~ 51 of this annual report.</p> <p>(6) Implementation of customer policies: The company has always strictly implemented quality management, and actively assists in handling occasional customer complaints or defective products from customers.</p> <p>(7) The Company has purchased Directors and Officers Liability Insurance with a coverage amount of US\$3 million, and reported the renewal content (including insurance amount, coverage and insurance rate, etc.) of the 2024 to board of directors on August 6, 2024.</p>	
<p>9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide priority enhancement measures:</p> <p>Regarding "corporate governance", the Company has made great progress in safeguarding shareholders' rights and strengthening the structure and operation of the Board of Directors compared with the previous two years. However, it still needs to improve in terms of increasing information transparency and promoting sustainable development.</p>				

(4) Operations of the Remuneration Committee or Nomination Committee

The Company has legally set up a Remuneration Committee on October 25, 2011, but has yet to establish a Nomination Committee. In conjunction with the re-election of directors and supervisors upon the expiration of their term of office on June 7, 2023, the fifth Remuneration Committee was approved through resolution by 2nd meeting of the 13th board of directors on July 4, 2023.

The terms of reference of the Company's Remuneration Committee are as follows:

- A. To formulate and regularly review the policies, systems, standards and structures of performance evaluation and salary of directors, supervisors and managers.
- B. To regularly evaluate and determine the remuneration of directors, supervisors and managers.
- C. To regularly review the organizational regulations of the committee and propose amendments.

The Remuneration Committee will convene a meeting as necessary to evaluate the salary, welfare system and manager's remuneration, and then the board of directors will make a decision, and announce the operation status in the public information observation station in accordance with regulations.

1. Information on members of the Remuneration Committee

Criteria Title / Name		Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies where the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Director (convener)	Cheng Ken-Yi	- Has work experience in the field of commerce and the Company's business for more than five years - Served as general manager of Grand Fortune Securities for many years, and currently serves as a director of the securities and financial industry, as well as director of several electronics and semiconductor companies	The four independent directors on the left have met the requirements of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act in the two years before their election and during their tenure. And each independent director also complies with Article 14-3 of the Securities and Exchange Act to fully participate in decision-making and express opinions to perform relevant duties.	1
Independent Director	Liu Chin-Tang	Has an accountant license and served as accountant of KPMG in Taiwan (retired in 2006.)		2
Independent Director	Shih Kuo-Yang	- Has work experience in the field of commerce and the Company's business area for more than five years - Served as general manager of Dell Computer Taiwan Branch and general manager of the business marketing group of Compaq Computer Taiwan Branch. - Has extensive experience and marketing knowledge in the computer and information-product industry.		None
Independent Director	Hsu Cheng-Kun	- With a lawyer's license, he once served as a senior lawyer and partner of PCL Transasia Law Officers, and is currently the director of Positive Thinking Law Firm		None

2. Information on the operations of the Remuneration Committee

(1) There are four members of the Company's Remuneration Committee.

(2) The term of office of the current committee members: from July 4, 2023 to June 6, 2026. In 2024, the Remuneration Committee held a total of three meetings (A). The attendance of the members is as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) (B / A) (Note)	Remark
Convener/ Independent Director	Cheng Ken-Yi	3	0	100	
Member / Independent Director	Liu Chin-Tang	3	0	100	
Member / Independent Director	Shih Kuo-Yang	2	1	67	
Member / Independent Director	Hsu Cheng-Kun	3	0	100	

Note: The actual attendance rate is calculated based on the number of meetings of the Remuneration Committee during the director's tenure and the number of actual attendances.

(3) Meeting, review and evaluation of the Company's Remuneration Committee in 2024; the Company's salary information is as follows:

Remuneration Committee session and meeting date	Board of Directors session and meeting date	Proposal content and resolution	Board of Directors' handling of the Remuneration Committee's opinions
1 st meeting of the 5 th session 2024/01/16	5 th meeting of the 13 th session 2024/01/16	Proposal: The Company managers' 2023 year-end bonus distribution. Resolution: Passed as proposed.	Chairman Chang Ching-Tang was a party to this case and had to recuse himself from discussion and voting, and independent director, Cheng Ken-Yi was appointed acting chairman. The proposal was approved after the Acting Chairman consulted with the other directors present.
2 nd meeting of the 5 th session 2024/03/05	6 th meeting of the 13 th session 2024/03/05	2023 report on the performance evaluation of the Company's board of directors.	Not applicable.
		Proposal: The Company's 2023 employee and director remuneration distribution. Resolution: Passed as proposed.	All directors present agreed to adopt the proposal.
3 rd meeting of the 5 th session 2024/05/07	7 th meeting of the 13 th session 2024/05/07	Proposal: To abolish the "Board of Directors Performance Evaluation Method" and establish a new "Board of Directors and Functional Committee Performance Evaluation Method". Resolution: Passed as proposed.	All directors present agreed to adopt the proposal.

Other supplementary notes:

1. If the Board of Directors declines to adopt or modifies a recommendation of the Remuneration Committee, the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the Remuneration Committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and reason behind the difference) should be stated: None
2. With regard to resolutions of the Remuneration Committee that were recorded or declared in writing in which members objected or expressed reservations, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None
3. Information on the members of the Nomination Committee and its operations:
The Company has yet to set up a nomination committee, so it is not applicable.

(5) Implementation status of sustainable development promotion and deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons:

Evaluation Criteria	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary Description	
1. Has the company established a governance structure as well as a full-time (part-time) unit to promote sustainable development, and has the board of directors authorized senior management to handle the said task?	✓		<p>On November 5, 2024, the Board of Directors approved the formulation of the "Sustainable Development Code of Practice" and the establishment of a sustainable development work promotion team to be responsible for the proposal and implementation of sustainable development policies, systems or related management guidelines and specific promotion plans. In addition to the General Manager as the convener, this team also has an executive secretary and task groups such as corporate governance, R&D innovation, sustainable environment, friendly workplace and social care. Please refer to page 36 of this annual report, and the implementation status was reported at the board meetings held on November 5, 2024, January 14, 2025 and March 4, 2025.</p> <p>The Company's Board of Directors approved the revision and report of the "Greenhouse Gas Inventory and Verification Schedule" on August 6, 2024, and completed the establishment of part-time units, part-time personnel and their responsibilities in September 2024. Please read page 36 ~ 37 of this annual report for details. Professional training for internal investigation and verification personnel was completed before December 2024, including the formulation of strategic objectives and control mechanisms. This implementation situation was reported at the board meetings held on November 5, 2024 and March 4, 2025. In other respects, it is stated as follows:</p> <p>(i) For the implementation of corporate governance, please refer to pages 22 ~ 25 of this annual report.</p> <p>(ii) Regarding the development of a sustainable environment, please refer to pages 28 ~ 43 of this annual report</p>	No major deviation

Evaluation Criteria	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary Description	
			(iii) In terms of maintaining social welfare, please refer to the labor relations on pages 33 ~ 34, 87 ~ 89 of this annual report. In 2024, the Company purchased "Children Are Us" charity mooncakes as Mid-Autumn Festival gift boxes, held a Touqian River cleaning event, and co-organized a blood donation event with neighboring factories to demonstrate corporate social responsibility and respond to corporate sustainable development and social care activities.	
2. Has the company conducted a risk assessment of environmental, social and corporate governance issues related to the company's operations in accordance with the principle of materiality, and formulated relevant risk management policies or strategies?		✓	<p>The Company approved the "Risk Management Policy and Procedures" as the highest guiding principle for risk management at the Board of Directors meeting on November 5, 2024. The Board of Directors ranks the highest governance unit for the Company's risk management, and is responsible for approving, reviewing and supervising risk management policies of the Company. Its main goals include: complying with laws and regulations, ensuring the effectiveness of risk management, and promoting and implementing overall risk management.</p> <p>In order to implement the sustainable development strategy, the Company holds regular sustainability promotion meetings chaired by the general manager to review environmental, social and corporate governance issues that are of concern to stakeholders. The "sustainability promotion team" also conducts risk assessment based on the principle of materiality and proposes corresponding strategies and measures to ensure the sustainable development of the Company's operations.</p>	No major deviation
3. Environmental issues (1) Has the company established proper environmental management systems based on the characteristics of the industry?	✓		The Company completed the ISO9001 2015 management system verification in November 2020, and established an appropriate environmental management system based on the characteristics of the industry. In order to maintain the effectiveness of the	No major deviation.

Evaluation Criteria	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary Description	
			<p>system, there would be an annual third notarization verification unit to implement system renewal.</p> <p>The Company belongs to the IC design industry and has no affiliated factories. It has little impact on the environment. All series of products comply with RoHS regulations to ensure that the production process and products are less harmful to the environment; as well as entrust qualified and professional environmental protection manufacturers to conduct the disposal and recycling of relevant waste products to prevent environmental pollution.</p>	
(2) Has the company endeavored to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		<p>The Company complies with government policies and regulations of the Science Park Management Committee. It continues to carry out garbage sorting, recycling, and reduction activities; the material selection of the Company's products complies with international environmental protection laws, and production at processing plants that the Company cooperates with, also comply with RoHS regulations.</p> <p>In order to effectively utilize energy, the Company has set up resource recycling bins for classification of domestic waste; it is committed to promoting paper recycling by continuously implementing electronic processes and working towards a paperless operating environment to reduce impact on the environment. In addition, temperature control of air conditioning units is maintained during working hours to achieve energy conservation goals and carbon reduction.</p>	No major deviation.
(3) Has the company evaluated potential climate change risks and opportunities in connection with the present and future status of its business, and has it taken appropriate action to counter climate change issues?	✓		<p>The Company operates in the IC design industry without semiconductor fabrication processes. The scope of our office electricity consumption includes computers, air conditioning, lighting, and domestic water usage. In the event of substantial risks arising from climate change, there is a potential for</p>	No major deviation.

Evaluation Criteria	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary Description	
			<p>disruptions such as water shortages, power outages, or work stoppages, indirectly increasing the operational expenses of the Company. The Company will continue to monitor and implement internal fundamental carbon reduction and water conservation measures.</p> <p>To address the future global challenges associated with greenhouse gas emissions, the Company is committed to designing environmentally friendly, energy-efficient, and carbon-reducing products. Furthermore, the Company’s suppliers and outsourcing factories utilize low-pollution processes and environmentally friendly materials. In addition to the use of lead and halogen-free process, the product process reduces the impact of the company's operations on environmental impacts, and it also meets international trends and customers’ expectations.</p>	
(4) Has the company taken inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implemented policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	✓		<p>The Company is a professional IC design firm, and all production processes are entirely outsourced without physical manufacturing facilities. The primary sources of emissions include purchased electricity (Scope 2) and a minimal amount of mobile emissions (from gasoline used in official vehicles, Scope 1). As the Company does not have any in-house manufacturing processes, there are no process emissions (Scope 1). The greenhouse gas emissions inventory of the Company has not undergone external verification; it is a self-managed statistical report.</p> <p>The 2024 self-inspection has included carbon emissions from official vehicles and the weight of business waste, using the emission equivalent of the emission type (metric tons CO₂e/year) as the calculation unit. This data covers the Taipei Head Office and Hsinchu Branch:</p>	No major deviation.

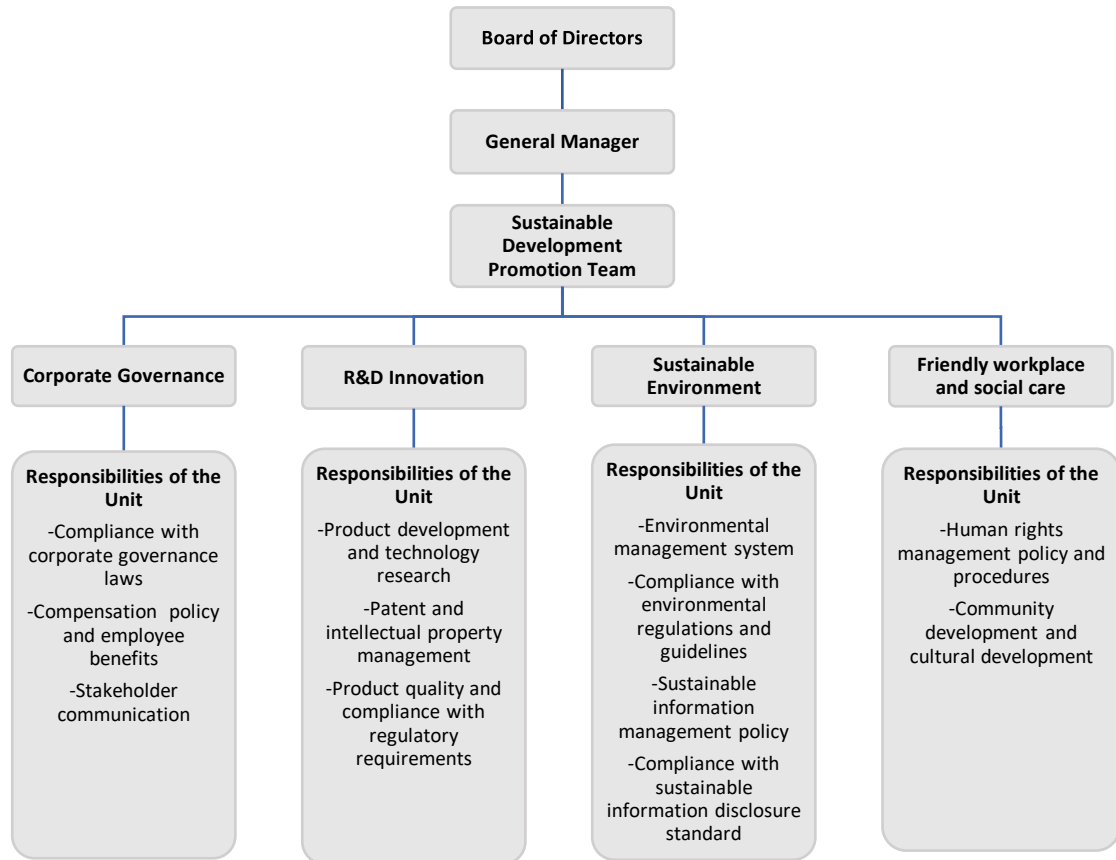
Evaluation Criteria	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																														
	Y	N	Summary Description																															
			<table><tr><td>Year</td><td>2023</td><td>2024</td></tr><tr><td>Scope 1</td><td>1.37</td><td>7.95</td></tr><tr><td>Scope 2</td><td>393.05</td><td>365.78</td></tr><tr><td>Total (Metric tons CO2e)</td><td>394.42</td><td>373.73</td></tr></table> <p>Water consumption:</p> <table><tr><td>Year</td><td>2023</td><td>2024</td></tr><tr><td>Degree (Metric tons)</td><td>4,548</td><td>4,696</td></tr></table> <p>Total weight of waste:</p> <table><tr><td>Year</td><td>2023</td><td>2024</td></tr><tr><td>Domestic waste</td><td>32.03</td><td>29.72</td></tr><tr><td>Business waste</td><td>0.56</td><td>0.51</td></tr><tr><td>Total (Metric tons)</td><td>32.60</td><td>30.23</td></tr></table> <p>The primary sources of emissions for the Company are electricity for computer usage, air conditioning, and office lighting, as well as domestic water consumption. The annual emission total is positively correlated with the number of employees, making it challenging to set reduction targets. Therefore, our energy-saving and carbon reduction initiatives focus on reducing electricity and water consumption. We advocate and promote energy-efficient practices, aiming to minimize unnecessary waste, with the goal of achieving a year-on-year reduction in per capita emissions. At present, air-conditioning controls have been implemented to achieve energy conservation and carbon reduction; an energy-saving improvement management plan for office lighting has also been implemented to replace old, inefficient and energy-consuming traditional lighting fixtures with LED energy-saving fixtures to reduce power consumption. And promote employees to develop the habit of turning off</p>	Year	2023	2024	Scope 1	1.37	7.95	Scope 2	393.05	365.78	Total (Metric tons CO2e)	394.42	373.73	Year	2023	2024	Degree (Metric tons)	4,548	4,696	Year	2023	2024	Domestic waste	32.03	29.72	Business waste	0.56	0.51	Total (Metric tons)	32.60	30.23	
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Evaluation Criteria	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary Description	
			lights and power supplies, encourage colleagues to take the stairs instead of going up and down floors, save water, and only maintain basic power needs to reduce electricity and water usage and carbon dioxide emissions.	
4. Social issues (1) Has the company formulated appropriate management policies and procedures in accordance with relevant regulations and the International Bill of Human Rights?	✓		In accordance with various labor-related laws and regulations, the Company provides labor/health insurance for employees, allocates labor pensions to ensure labor rights, and purchases commercial insurance such as group accident insurance for all employees.	No major deviation.
(2) Has the company formulated and implemented reasonable employee benefit measures (including salaries, leaves, and other benefits), and appropriately reflected business performance or results in employee compensation?	✓		<p>Employee compensation: The overall remuneration of employees is determined based on their professional qualifications, skills, job responsibilities, and performance, combined with the company's operating goals, compliance with laws, and industry standards. The remuneration includes salary, bonuses, meal allowances, and equity awards, and is also based on the company's operations. performance and individual employee performance, and provide reward programs in a timely manner.</p> <p>Business performance is reflected in employee remuneration: The Company's Articles of Incorporation stipulate that when Company makes a profit in the year (the so-called profit means the pre-tax benefits deducted the benefits before the distribution of employee remuneration and directors' remuneration), it shall be allocated not less than 6% for employee remuneration. However, when the Company has accumulated losses (including adjusting the amount of unallocated surpluses), the amount of compensation should be reserved in advance. The employee compensation in the preceding paragraph can be paid in stocks or cash, and the payment objects may include the employees of parents or subsidiaries of the Company, the terms</p>	No major deviation.

Evaluation Criteria	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary Description	
			and means of which shall be determined by the Board of directors. Please refer to pages 87 ~ 89 of this annual report for details of the Company's employee benefits.	
(3) Has the company provided a healthy and safe working environment and organized training on health and safety for its employees on a regular basis?	✓		For details, please refer to pages 87 ~ 89 of this annual report.	No major deviation.
(4) Has the company provided its employees with career development and training sessions?	✓		For details, please refer to page 88 of this annual report.	No major deviation.
(5) With regard to customer health and safety, customer privacy, marketing and labeling issues of products and services, does the company follow relevant laws and international standards, and formulate relevant policies and complaint procedures to protect the rights and interests of consumers or customers?	✓		1. The Company's products are not general consumer goods, but there are procedures for handling complaints to protect the rights and interests of customers. For related concerns, customers may send their feedback or complaints through the contact information found on the company website. Company personnel are assigned to respond and address customer/product issues. 2. In addition, the Company's products and services comply with relevant laws as well as local and international regulations. There is also a warranty clause in customer contracts to ensure consumer rights and interests.	No major deviation.
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	✓		The Company formulates supplier evaluation procedures and related supplier management specifications, and evaluates suppliers every year. The company will not deal with suppliers who violate social corporate responsibility unless necessary.	No major deviation.
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Was there assurance obtained from a third-party		✓	The Company passed the ISO9001 2015 quality management system verification, and established its appropriate environmental management system based on the characteristics of the industry. The Company is currently compiling "2024 Sustainability Report", which	No major deviation.

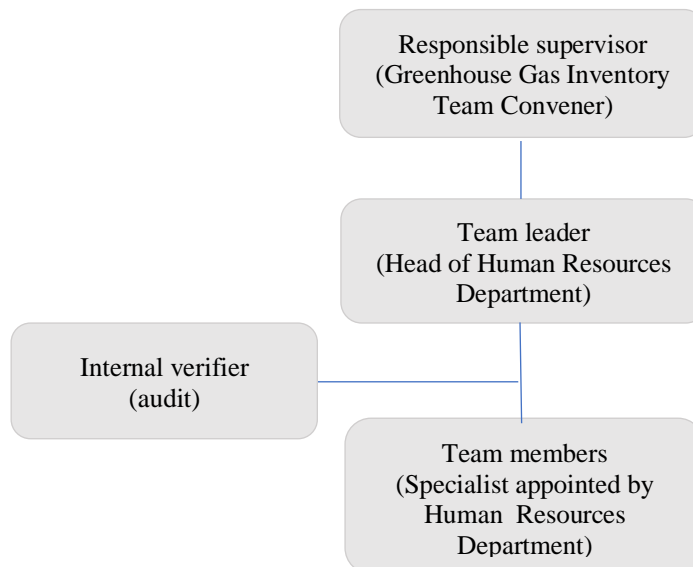
Evaluation Criteria	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Summary Description	
verification unit for previous reports?			has not yet completed as of the date of publication of this annual report.	
<p>6. Describe the difference, if any, between the actual practice and corporate social responsibility principles, if the company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies:</p> <p>The Company has yet to establish a policy or system to promote sustainable development. However, given the various measures carried out in accordance with the Company Act, the scope of relevant regulations as well as internal regulations of the Company is able to cover all major sustainable development requirements. The Company passed the ISO9001 2015 quality management system verification and established its appropriate environmental management system based on the characteristics of the industry to ensure compliance with sustainable management and facilitate continuous improvement.</p>				
<p>7. Other useful information explaining the status of corporate social responsibility practices:</p> <p>(1) The Company is a professional IC design company, focused on IC R&D and design, and all its products are produced through outsource manufacturing. Production is carried out in processing plants that meet ISO14001 environmental management system standards and environmental protection laws and regulations.</p> <p>(2) The Company's products comply with international laws and regulations pertaining to conflict minerals, and mineral source investigations are conducted annually on outsourcing factories to ensure conflict-free mineral sources and implementation of conflict mineral policies.</p> <p>(3) In response to environmental protection and energy conservation, the Company supports the use of electronic signature and online forms, and occasionally promotes waste paper recycling, advocates energy conservation, and promotes recycling to reduce resource waste.</p>				

A. The Company's organization chart for sustainable development work promotion



B. The Company's greenhouse gas inventory organization and responsibilities

1. The organization chart of greenhouse gas inventory team



2. Personnel and responsibilities:

Job title	Personnel	Responsibilities
Responsible person	General Manager (Convener of Greenhouse Gas Inventory Team)	<ul style="list-style-type: none"> - Establish and operate a greenhouse gas inventory team. - Oversee and provide the resources needed to implement greenhouse gas inventory management. - Approve the Greenhouse Gas Inventory Report (upon request). - Responsible for organizing document issuance and management.
Team leader	Supervisors-Human Resources Department	<ul style="list-style-type: none"> - Regularly report the execution status to the superiors. - Arrange and implement educational training. - Perform assigned work. - Integrate greenhouse gas emission information reported by various units. - Confirm the accuracy of greenhouse gas inventory information. - Develop greenhouse gas information management program documents, including inventory, compilation process, specifications and related tool forms. - Establish a greenhouse gas information management process. - Establish criteria for significant indirect greenhouse gas emissions. - Prepare greenhouse gas inventory report (upon request). - Schedule internal verification of greenhouse gas emissions. - Promote greenhouse gas inventory and reduction operations.
Team members	Dedicated personnel-assigned by the Human Resources Department	<ul style="list-style-type: none"> - Promote greenhouse gas inventory management and related operations. - Implement greenhouse gas information management related operations. - Cooperate with greenhouse gas inventory management operations. - Investigate and report the greenhouse gas emission information of the department. - Provide data on organizational activities. - Introduction and maintenance of inventory automation and management systems - Data collection, compilation and archiving and other related tasks.
Internal Verifier	Auditors	To review the accuracy of "procedure documents and forms".

C. Climate-related information for TWSE/TPEX Listed Companies:

1. Implementation of climate-related information

Item	Implementation Status										
1. Detail the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.	<p>Prolific Technology has always paid attention to climate risks. Following the “Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)” framework released by the Financial Stability Board (FSB) in June 2017, the Company continues to identify climate risks and opportunities in the value chain, plan response measures, and demonstrate the governance and strategies adopted by Prolific Technology on the issue of climate change.</p> <table> <tr> <th>Category</th><th>Response Measures</th></tr> <tr> <td>Governance</td><td> <p>The Company has formulated the "Sustainable Development Code of Practice", and the sustainable development promotion team is responsible for the relevant policies, systems or management guidelines and specific plans. It is necessary to regularly review its target achievement rate and performance every year and report the implementation status to the Board of Directors, including the progress of greenhouse gas inventory implementation every quarter.</p> <p>In order to implement the sustainable development strategy, the Company holds regular sustainability promotion meetings chaired by the general manager to review environmental, social and corporate governance issues that are of concern to stakeholders, as well as conducts risk assessments related to the Company's operations based on the principle of materiality and proposes relevant strategies and measures.</p> </td></tr> <tr> <td>Strategy</td><td>To pay attention to trends and regulations related to climate change so as to respond immediately.</td></tr> <tr> <td>Risk management</td><td>Refers to TCFD to identify major climate-related risks and opportunities, and regularly reviews and amends them according to changes in the environment and regulations.</td></tr> <tr> <td>Index and goals</td><td>The Company regularly completes greenhouse gas inventory and verification targets in accordance with the planning schedule of the "Sustainable Development Roadmap for Listed Companies".</td></tr> </table>	Category	Response Measures	Governance	<p>The Company has formulated the "Sustainable Development Code of Practice", and the sustainable development promotion team is responsible for the relevant policies, systems or management guidelines and specific plans. It is necessary to regularly review its target achievement rate and performance every year and report the implementation status to the Board of Directors, including the progress of greenhouse gas inventory implementation every quarter.</p> <p>In order to implement the sustainable development strategy, the Company holds regular sustainability promotion meetings chaired by the general manager to review environmental, social and corporate governance issues that are of concern to stakeholders, as well as conducts risk assessments related to the Company's operations based on the principle of materiality and proposes relevant strategies and measures.</p>	Strategy	To pay attention to trends and regulations related to climate change so as to respond immediately.	Risk management	Refers to TCFD to identify major climate-related risks and opportunities, and regularly reviews and amends them according to changes in the environment and regulations.	Index and goals	The Company regularly completes greenhouse gas inventory and verification targets in accordance with the planning schedule of the "Sustainable Development Roadmap for Listed Companies".
Category	Response Measures										
Governance	<p>The Company has formulated the "Sustainable Development Code of Practice", and the sustainable development promotion team is responsible for the relevant policies, systems or management guidelines and specific plans. It is necessary to regularly review its target achievement rate and performance every year and report the implementation status to the Board of Directors, including the progress of greenhouse gas inventory implementation every quarter.</p> <p>In order to implement the sustainable development strategy, the Company holds regular sustainability promotion meetings chaired by the general manager to review environmental, social and corporate governance issues that are of concern to stakeholders, as well as conducts risk assessments related to the Company's operations based on the principle of materiality and proposes relevant strategies and measures.</p>										
Strategy	To pay attention to trends and regulations related to climate change so as to respond immediately.										
Risk management	Refers to TCFD to identify major climate-related risks and opportunities, and regularly reviews and amends them according to changes in the environment and regulations.										
Index and goals	The Company regularly completes greenhouse gas inventory and verification targets in accordance with the planning schedule of the "Sustainable Development Roadmap for Listed Companies".										

Item	Implementation Status				
2. Detail how the identified climate risks and opportunities will affect the business, strategy and finances of the company (in the short, medium and long term).	Risks, opportunities and responses to climate change are as follows:				
	Risk category	Risk name	Influence	Strategies and measures	Term
	Physical risk	<ul style="list-style-type: none"> ■ Extreme climate ■ Strong typhoon/extreme rainfall ■ Drought 	<ul style="list-style-type: none"> ■ The intensity and frequency of natural disasters such as typhoons and rainstorms have increased, causing employees to be unable to go to work and operations to be interrupted. ■ Due to the daily reduction in tap water supply and water restrictions, suppliers are unable to produce and deliver, and operations are interrupted. 	<ul style="list-style-type: none"> ■ Continue to pay attention to the government's efforts to strengthen cross-regional water resource dispatch capabilities. ■ Understand whether the transportation of raw materials or water shortages in the OEM factory will affect production? ■ Establish a real-time remote office system. 	Short term
	Transition risk	Greenhouse gas emissions control and carbon taxation	Additional costs are incurred due to stricter government policies and regulations on greenhouse gas emissions.	<ul style="list-style-type: none"> ■ Strengthen the promotion of electricity conservation. ■ Give priority to energy-saving products when replacing equipment. 	Long term
		Third-party verification of greenhouse gas emissions	The cost of implementing third-party verification in accordance with the Financial Supervisory Authority's "Sustainable	Establish strategic objectives and control mechanisms for "greenhouse gas inventory" to effectively	Medium term

Item	Implementation Status				
			Development Roadmap for Listed Companies" is expected to increase slightly.	manage greenhouse gas emissions	
		Customers require low-carbon strategies to match the trend	If international requirements for ESG value chain management are met, operating costs will increase.	<ul style="list-style-type: none"> ■ Continue to invest in research and development, especially advanced energy-saving products. ■ Continuously implement supplier management: issue and evaluate annual supplier ESG self-assessment forms, conduct written audits and conduct on-site inspections of key suppliers. 	Long term
	Opportunity	Continue energy conservation and carbon reduction programs and obtain energy conservation incentives from the public sector.	Apply for energy-saving equipment subsidies provided by the Department of Commerce to improve energy efficiency and reduce operating costs.	Implement energy audit system to improve energy saving performance.	Medium term
3. Describe the financial impact of extreme climate events and transitions.	Please refer to the description of Item 2.				
4. Describe how to integrate climate risk identification, assessment and management processes into the overall risk management system.	The "Risk Management Policy and Procedures" approved by Prolific Technology's Board of Directors on November 5, 2024 represent the Company's highest guiding principles in risk management. By establishing risk awareness, risk identification, risk assessment, risk response, risk monitoring and risk disclosure management processes, the Company ensures				

Item	Implementation Status
	that major risks are properly assessed and controlled, and reports the implementation results to the Board of Directors regularly. In addition, the audit unit is responsible for performing audit operations to ensure that risk control and internal control procedures are designed and implemented effectively.
5. If a scenario analysis model is adopted to assess the resilience of the Company to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts adopted should be explained.	Considering that the electricity price adjustment will increase operating costs, and referring to the climate risk disclosure cases of benchmark companies and the urgency and clarity of policies, the Company has given priority to conducting relevant financial impact assessments on the "increase in greenhouse gas emission costs". With reference to the SBTI (Science Based Targets Initiative) and the Paris Agreement's 1.5°C warming scenario, the additional costs of energy-saving measures are assessed to be less than 1% of annual revenue. However, given that government policies have not yet affected the Company, the aforementioned financial impacts are preliminary assumptions. The assessment results will be updated annually in response to updates to climate change-related policies, regulations, and low-carbon technology development.
6. If a transition plan is in place to manage climate-related risks, the content of the plan and the indicators and targets used to identify and manage physical and transition risks should be described.	<p>The Company has formulated a climate change response strategy with the promotion of low-carbon transformation as the main axis, and set relevant strategies and goals as follows:</p> <p>(1) In terms of the environment, it will set carbon reduction targets (Scope 1 and Scope 2), with a base year expected to be set no later than 2026, and reduce greenhouse gas emissions intensity by 4% by 2030.</p> <p>(2) In terms of water conservation, it is expected that the base year will be set no later than 2026 and the water intensity will be reduced by 1% by 2030.</p> <p>Note:</p> <p>1. Calculation method of greenhouse gas emission intensity: Total greenhouse gas carbon emissions (metric tons CO₂e) / turnover (NT\$ million)</p> <p>2. Calculation method of water use intensity: total water use (kWh) / turnover (NT\$ million)</p>
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.	Carbon pricing is not currently used as a planning tool.

Item	Implementation Status
8. If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress should be stated. If carbon offsets or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of the offsets or the number of RECs should be stated.	Please refer to the description of Item 6.
9 Greenhouse gas inventory and confirmation status and reduction targets, strategies and specific plans (to be filled in 1-1 and 1-2).	Please refer to the following instructions.

1-1. The Company's greenhouse gas inventory and confirmation in the last two years

1-1-1. Greenhouse gas inventory information

State the greenhouse gas emissions (metric tons CO2e), intensity (metric tons CO2e/NT\$ million) and data coverage in the most recent two years.			
Greenhouse gas emissions in the last two years			
Category 1: Information includes our Taipei head office and Hsinchu office			
Category 2: Information includes our Taipei head office and Hsinchu office			
Category		2023	2024
Category 1	Emissions (metric tons CO2e)	1.3700	7.9489
	Intensity (metric tons CO2e/NT\$ million)	0.0038	0.0191
Category 2	Emissions (metric tons CO2e)	393.0458	365.7764
	Intensity (metric tons CO2e/NT\$ million)	1.0902	0.8767

Note 1: Direct emissions (Category 1, refers to emissions directly from sources owned or controlled by the company), energy indirect emissions (Category 2, refers to indirect greenhouse gas emissions caused by the input of electricity, heat or steam) and other indirect emissions (Category 3, refers to emissions generated by company activities, which are not energy indirect emissions, but come from other emission sources owned or controlled by the company).

Note 2: The coverage of direct emissions and energy indirect emissions data shall be handled in accordance with the schedule specified in Article 10, Paragraph 2 of the "Guidelines on Matters to be Recorded in Annual Reports of Public Companies". Other indirect emissions information may be disclosed on a voluntary basis.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or turnover, but at least the data calculated based on turnover (NT\$ million) should be stated.

1-1-2 Greenhouse gas confirmation information

A statement of the confirmation status for the most recent two years as of the publication date of the annual report, including the confirmation scope, confirmation organization, confirmation criteria and confirmation opinions.

The Company will follow the schedule set forth in Article 10, Paragraph 2 of the "Guidelines on Matters to be Recorded in Annual Reports of Public Companies" and complete confirmation by 2028.

1-2 Greenhouse gas reduction targets, strategies and specific plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies and specific plans, and the status of achievement of the reduction targets.

Not applicable.

Note: This is done in accordance with the schedule specified in Article 10, Paragraph 2 of the "Guidelines on Matters to be Recorded in Annual Reports of Public Companies".

(6) Compliance with Integrity Management and Deviations from Corporate Governance
Best-Practice Principles for TWSE/TPEX Listed Companies and reasons:

Evaluation Criteria	Implementation Status			Deviations from the “Code of Integrity Management of Listed/OTC Companies” and Reasons
	Y	N	Summary Description	
<p>1. Formulate integrity management policies and plans</p> <p>(1) Has the company formulated an integrity management policy approved by the board of directors, and clearly stated the policy and practices of integrity management in regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the business policy?</p> <p>(2) Has the company established a fraud risk assessment mechanism to regularly analyze and evaluate business activities with relatively high risk of fraud within the business scope, and formulated a plan to prevent fraud based on this, and implemented preventive measures for behaviors specified in the second paragraph of Article 7 of the “Code of Integrity Management of listed/OTC Companies”?</p> <p>(3) Has the company clearly defined operating procedures, behavioral guidelines, punishment and complaint systems for violations of the plan to prevent fraud, and implement it, as well as regularly review and amend previously disclosed plan?</p>	✓		<p>(1) The Company has formulated "Operating Procedures and Behavioral Guidelines on Integrity Management," published on the Company website and intranet. It creates an online questionnaire every year on the “Code of Ethical Conduct for Employees and Integrity Management Operating Procedures”.</p> <p>(2) The Company has formulated "Business Integrity Operating Procedures and Behavioral Guidelines". There is also a complaint system/channel on the Company website.</p> <p>(3) The Company has formulated "Integrity Management Operating Procedures and Behavioral Guidelines".</p>	No major deviation.
<p>2. Implement integrity management</p> <p>(1) Does the company evaluate the integrity record of the counterparty, and clearly stipulate the terms pertaining to integrity and behavior in the contract to be signed with the counterparty?</p> <p>(2) Does the company have a dedicated unit for the promotion of corporate integrity management under the board of directors, and report to the board on a regular basis (at least once a year) about its integrity</p>	✓		<p>(1) The Company will conduct credit investigation before commencing formal transactions with new customers to prevent dealing with entities that have a record of committing fraud, and in accordance with relevant terms stipulated in Articles 17 to 20 of the Integrity Management Operating Procedures and Business Conduct Guidelines.</p> <p>(2) The Company has designated the Human Resources Department to promote corporate integrity management, and reported compliance and implementation of</p>	No major deviation.

Evaluation Criteria	Implementation Status			Deviations from the “Code of Integrity Management of Listed/OTC Companies” and Reasons
	Y	N	Summary Description	
<p>management policies, plans for preventing fraud, and supervision and implementation?</p> <p>(3) Has the company formulated policies to prevent conflicts of interest, provided appropriate reporting channels, and implemented them?</p> <p>(4) Has the company established an effective accounting system and internal control system for the implementation of integrity management, and has the internal audit unit developed relevant audit plans based on the assessment results on fraud risks, so as to check compliance with the plan for preventing fraud, or assign an accountant to perform checks?</p> <p>(5) Has the company held regular internal and external education and training on integrity management?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>2024 to the board of directors on 2025/1/14.</p> <p>(3) The Company has formulated the "Integrity Management Operating Procedures and Behavioral Guidelines", and the reporting channel was also announced on the company website.</p> <p>(4) The Company has established an effective accounting system and internal control system, which are regularly checked by internal auditors. So far, the Company has not encountered any operational risk event due to fraud.</p> <p>(5) The Company has announced the "Guidelines for Business Integrity in Operating Procedures and Behavior" on its website, and if there are changes, employees are notified by e-mail and the Company's web content is updated simultaneously. Every year, the Human Resources Department sends a questionnaire regarding the "Employee Code of Ethical Conduct and Statement of Compliance pertaining to Business Integrity & Operating Procedures", and requests all employees to complete the questionnaire.</p>	
<p>3. The Company's whistleblowing system</p> <p>(1) Has the company formulated a specific whistleblowing and reward system, established a convenient whistleblowing channel, and assigned appropriate specialists to handle whistleblowers?</p> <p>(2) Has the company established a standard operating procedure for investigating reported cases, including follow-up measures to be taken after the investigation is completed as well as relevant confidentiality mechanisms?</p>	<p>✓</p> <p>✓</p>		<p>(1) It is specified in Article 21 of the "Guidelines for Business Integrity in Operating Procedures and Behavior", and the Company's reporting channels. Designated personnel are also announced on the company's website.</p> <p>(2) This is stipulated in Article 21 of the "Guidelines for Business Integrity in Operating Procedures and Behavior".</p>	No major deviation.

Evaluation Criteria	Implementation Status			Deviations from the "Code of Integrity Management of Listed/OTC Companies" and Reasons
	Y	N	Summary Description	
(3) Has the company taken any measures to protect whistleblowers from unfair treatment?	✓		(3) This is stipulated in Article 21 of the "Guidelines for Business Integrity in Operating Procedures and Behavior".	
4. Strengthen information disclosure (1) Has the company disclosed the content and promotion results of its integrity management code on its website and the MOPS?	✓		The Company has disclosed the "Guidelines for Business Integrity in Operating Procedures and Behavior" on its website and the MOPS.	No major deviation.
5. If the company formulates its own code of integrity in accordance with the "Code of Integrity Management for Listed OTC Companies", please describe the difference between its operations and established code: None.				
6. Other important information to help understand the company's integrity management and operations (e.g., the company's review or revision of its integrity management code, etc.): None.				

(7) Other important information to know more about the Company's corporate governance practices:

1. Accountant independence evaluation criteria

The Company's Audit Committee conducts an annual assessment of the independence and competency of certified accountants. In this regard, the certified accountants will be required to provide an "Independence Statement" and "Audit Quality Indicators (AQIs)", including an evaluation of 13 items of AQI indicators. The Company also evaluates the performance of accountants based on timeliness of financial reports, quality of financial reports, communication and interaction with management, assessment and supervision of company risks, service quality and reasonableness of public fees, and evaluates their independence according to the following table. The results of the most recent annual evaluation were reported to the Audit Committee held on January 14, 2025, and were also reported to the Board of Directors on the same day.

Item	Evaluation criteria	Evaluation result	Independent
1	The certified public accountant is neither employed by the Company nor maintains a regular job, receives a fixed salary, or serves as a director or supervisor.	Yes	Yes
2	Certified accountants and members of the audit service team have not served as Company directors, supervisors, managers or positions that have significant impact on audit cases at present or in the past two years.	Yes	Yes
3	Certified accountants and members of the audit service team do not have a spouse, second-degree relative, or direct (collateral) (in-law) relationship with Company directors, managers, or personnel with positions that have significant impact on audit cases.	Yes	Yes
4	The certified public accountants or their spouses and minor children have no investment or financial interest in the Company.	Yes	Yes

Item	Evaluation criteria	Evaluation result	Independent
5	The certified public accountants or their spouses and minor children have no capital loan in connection with the Company.	Yes	Yes
6	The non-audit services provided by the certified public accountant to the Company do not directly affect important matters of the audit case.	Yes	Yes
7	There has never been a violation of the competent authority's regulations on the rotation of accountants, handling accounting affairs on behalf of others, or other regulations that can affect independence.	Yes	Yes
8	The term of office of the certified public accountant has not exceeded seven years.	Yes	Yes
9	Certified public accountants have not accepted gifts or special favors of great value from the Company or its directors, supervisors, managers or major shareholders (those whose value does not exceed the standard of general social etiquette).	Yes	Yes
10	Certified public accountants do not represent the Company in defense of legal cases or other disputes with third parties.	Yes	Yes
11	Certified public accountants do not promote or broker stocks or other securities issued by the Company.	Yes	Yes
12	There is no significant and close business relationship between the certified public accountant and the Company.	Yes	Yes
13	The certified public accounting firm does not rely too much on the remuneration source of a single client (the Company).	Yes	Yes
14	None of the certified public accountants or members of the audit service team keeps money on behalf of the Company.	Yes	Yes

2. Company directors' participation in advanced study on corporate governance in 2024, detailed below:

Title	Name	Study date	Organizers	Course Title	Study hours
Chairman	Chang Ching-Tang	2024/09/10	Taipei Exchange (TPEX)	Shareholding publicity briefing session for insiders of emerging OTC companies	3.0
		2024/11/05	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3.0
Director	Liu Tay-Ho	2024/03/12	Taiwan Corporate Governance Association	Corporate Growth Strategy and Open Innovation	3.0
		2024/06/04	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3.0
		2024/11/05	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3.0
Director	Lin Chin-Shih	2024/06/21	National Federation of CPA Associations of the R.O.C.	Corporate M&A and Due Diligence	3.0
		2024/08/09	Taiwan Corporate Governance Association	Integrity management code and how to avoid crossing the red line of directors and supervisors' responsibilities	3.0
		2024/09/05	National Federation of CPA Associations of the R.O.C.	How to establish an effective money laundering and terrorism prevention system	3.0

Title	Name	Study date	Organizers	Course Title	Study hours
		2024/11/05	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3.0
		2024/11/08	Taiwan Corporate Governance Association	Carbon-Carbon Connection-A Brief Discussion on Carbon Fees, Carbon Taxes, Carbon Rights and Carbon Trading	3.0
Legal Person Director Representative	Lin Jian-Hong	2024/05/24	Taiwan Corporate Governance Association	The Value of Enterprise's Non-Financial Performance and Climate Related Disclosures - Global Trends and Strategies	3.0
		2024/09/10	Taipei Exchange (TPEX)	Shareholding publicity briefing session for insiders of emerging OTC companies	3.0
		2024/11/05	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3.0
Independent Director	Cheng Ken-Yi	2024/04/26	Company Operations and Sustainable Development Association	The Competitive Edge: Challenges and Business Perspectives for Taiwanese Enterprises	3.0
		2024/09/04	Company Operations and Sustainable Development Association	Operating practice of Corporate Governance and Independent Director	3.0
Independent Director	Liu Chin-Tang	2024/03/06	Taiwan Corporate Governance Association	Global Economic Outlook 2024	3.0
		2024/04/10	Taiwan Institute of Directors	Steering the course of corporate wisdom - Corporate governance leads the way forward	1.0
		2024/05/22	Taiwan Corporate Governance Association	Co-Creating the Green Ecosystem: Megatrend and Vision --- TCX Operations and Prospects	3.0
		2024/07/03	Taiwan Stock Exchange Corp.	2024 Cathay Pacific Sustainable Finance and Climate Change Summit	3.0
		2024/07/30	Taiwan Corporate Governance Association	Vision and trends of ESG assessment	1.0
		2024/11/05	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3.0
		2024/12/19	Taiwan Corporate Governance Association	Activating Asia - Corporate Governance Trends in Asia	3.0
Independent Director	Shih Kuo-Yang	2024/04/16	Taiwan Corporate Governance Association	How to Fully Launch Corporate Innovation Growth	3.0
		2024/10/04	Taiwan Corporate Governance Association	The Opportunities and Risks In Digital & AI	3.0
		2024/11/05	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3.0

Title	Name	Study date	Organizers	Course Title	Study hours
Independent Director	Hsu Cheng-Kun	2024/09/04	Securities and Futures Institute (SFI Taiwan)	A look at emerging corporate risk management from the perspectives of ransomware, trade secret protection and honest management	3.0
		2024/10/15	Taipei Bar Association	Seminar on the latest development of corporate governance practices in the United States	3.0
		2024/12/17	Taipei Bar Association	2024 Corporate Governance Forum: New Challenges for Corporate Governance Managers	3.0

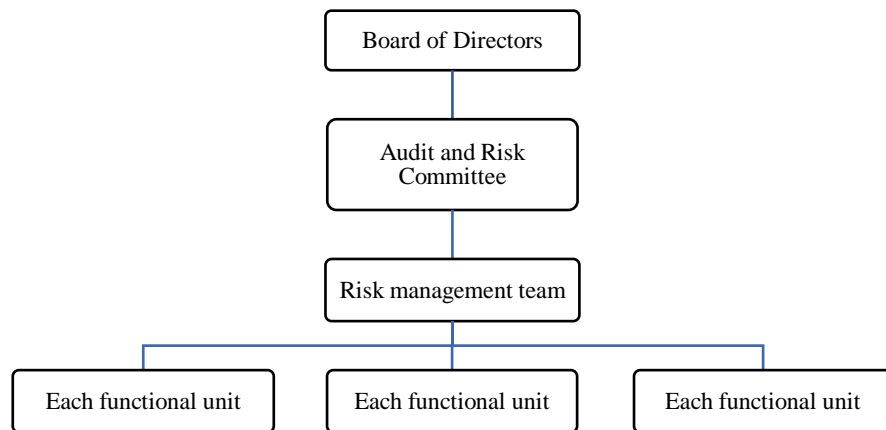
3. Managers' participation in corporate governance-related study and training courses in 2024

Title	Name	Study date	Organizers	Course Title	Study hours
General Manager	Chang Ching-Tang	2024/09/10	Taipei Exchange (TPEX)	Shareholding publicity briefing session for insiders of emerging OTC companies	3.0
		2024/11/05	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3.0
Chief Financial Officer Corporate Governance Officer Director	Chang Hsi-Kung	2024/07/03	The Institute of Internal Auditors-Chinese Taiwan	You must know the key points and impacts of IFRS S1/S2 on internal control and internal audit	6.0
		2024/07/04	Securities and Futures Institute (SFI Taiwan)	The Law and Transaction Practice of Enterprise Mergers and Acquisitions	3.0
		2024/07/16	Accounting Research and Development Foundation	The latest "Annual Report/Sustainability Information/Financial Report Preparation" related laws and regulations analysis and internal control management practices	6.0
		2024/11/05	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3.0
Chief Accounting Officer Assistant Manager	Liao Yu-Mei	2024/07/30	Taipei Exchange (TPEX)	2024 Sustainable Information Management Internal Control System Promotion Conference	3.0
		2024/09/19 2024/09/20	Accounting Research and Development Foundation	Continuing education for accounting executives of issuers, securities firms and stock exchanges	12.0
		2024/11/05	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3.0
		2024/12/19	Taipei Exchange (TPEX)	Promoting the country's adoption of International Financial Reporting Standards (IFRS)	3.0

4. Implementation of risk management policies and risk measurement standards:

- (1) The Company's management team reviews operating performance and assesses operational risks and response strategies at monthly meetings. Each department also manages daily operational risks according to its respective responsibilities.
- (2) On November 5, 2024, the Audit Committee and the Board of Directors approved the establishment of the "Risk Management Policy and Procedures" to regularly evaluate the risk management policy and risk measurement every year. On January 14, 2025, the "Audit Committee Organizational Regulations" were revised and renamed the "Audit and Risk Committee Organizational Regulations", incorporating risk management and information security into the responsibilities.

(A) Risk Management Organizational Structure and Responsibilities



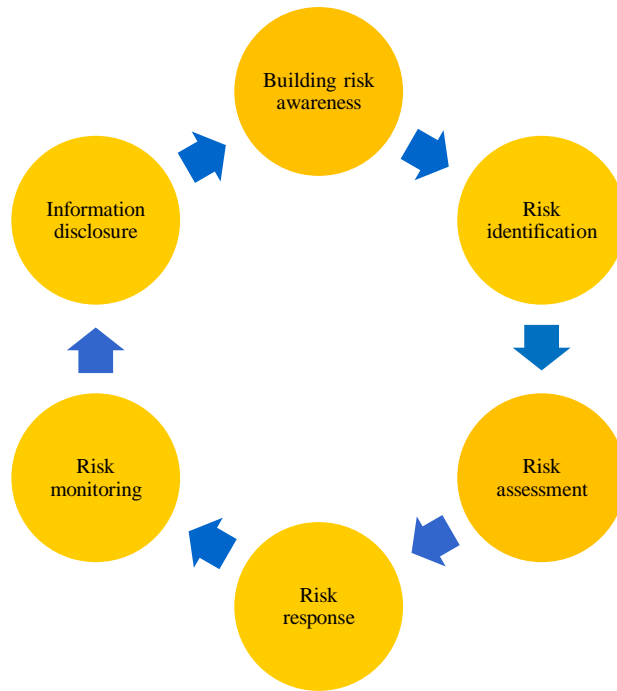
- The Board of Directors is the highest governance unit for corporate risk management.
- The Audit and Risk Committee assists the Board in supervising its risk management responsibilities.
- The Risk Management Team is responsible for overall risk management, formulating relevant policies, structures and mechanisms, and establishing qualitative and quantitative management standards.
 - The risk management team is subordinate to the general manager, the team members are appointed by the general manager, and the general manager serves as the convener.
- The heads of each unit and department of the company are responsible for risk management, ensuring that the risk control mechanism and procedures are effectively implemented, and should report the risk management status to the risk management team regularly.

(B) Risk Management Process

Through risk identification, analysis, assessment and processing, we confirm that the Company's major risks are properly assessed and controlled, and report the implementation results to the Board of Directors regularly. The Audit Unit also performs audits to ensure that

risk control and internal control procedures are designed and implemented effectively.

Risk Management Flowchart :



- (C) In 2024, each functional unit conducted risk assessments on technology product R&D innovation, intellectual property risks, talent attraction and retention, supply chain risk management, product quality and safety, customer relationship management, information security management, and integrity management, thus formulating relevant risk management strategies and plans. The above implementation status was reported to the Audit Committee and the Board of Directors respectively on 2024/11/5.

5. Code of Ethical Conduct for Directors and Managers of the Company

Chapter 1 General Provisions

- Article 1 Purpose
This Code outlines the guiding principles for the ethical conduct of directors and managers of the Company.
- Article 2 Scope of application
This Code applies to all directors and managers of the company.
Directors who are part-time managers of the company should also read the relevant regulations applicable to all employees of the company.

Chapter 2 Conflicts of Interest and Avoiding Abuse of Opportunities

- Article 3 Directors or managers must avoid any improper behavior such as receiving remuneration outside the Company, collaborating with third parties, or giving or receiving any form of gift, which may cause a conflict of interest in the Company as a whole.
- Article 4 Any conflict of interest affecting or expected to affect the Company should be disclosed to the board of directors immediately.
- Article 5 Directors or managers should refrain from the following:
1. Misappropriating Company property or information or using one's position for personal gain;
2. Obtaining personal gain by using Company property, information or taking advantage of one's position;
3. Competing with the Company.

Chapter 3 Asset Custody and Confidentiality

- Article 6 Directors and managers shall safeguard and efficiently use Company assets to protect the interest of the Company.
- Article 7 Unless authorized or required by law, directors and managers shall maintain the confidentiality of information entrusted to them by the Company, as well as information of other companies gathered from any source as part of the normal operations of the Company given their position.

Chapter 4 Legal Compliance and Fair Trade

- Article 8 Directors or managers shall abide by the law, rules and orders applicable to the Company, including laws related to insider trading, as well as relevant policies and procedures formulated by the Company for directors, supervisors and managers. No director, supervisor or manager shall obtain improper advantage from anyone by manipulating, concealing or abusing information obtained given one's position, making false statements on important matters, or intentionally using one's influence in unfair trading practices.

Chapter 5 Correctness of Records and Other Public Information

- Article 9 Directors or managers shall ensure that all Company account books, financial reports, records and related documents in various forms are recorded, presented and preserved in a complete, fair, correct, timely and comprehensive manner. The preparation and disclosure of documents related to corporate activities shall comply with relevant laws and regulations applicable to the Company and regulations of the competent authority.

Chapter 6 Reporting Any Illegal or Unethical Behavior

- Article 10 Directors and managers shall promote ethical conduct and implement the following measures:
1. Encourage discussions with directors, managers and other appropriate personnel when in doubt as to the best course of action in a particular situation;

2. Encourage reporting of violation of laws, rules and orders, the Company's internal guidelines or professional ethics to other appropriate personnel;
3. Prevent any form of retaliation against those who report in good faith.

Chapter 7 Following Procedures

Article 11 The discovery of any suspected violation of this Code should be immediately reported to the manager, internal auditors or other appropriate personnel; and if the violator is a manager, the case shall be handled in accordance with relevant procedures. Reporting alleged violations in good faith will not result in any form of retaliation. Such alleged violations will be investigated by the board of directors or a person/s designated by the board of directors.

Article 12 There are no exemptions from this Code.

Chapter 8 Implementation of this Code

Article 13 If there is any violation of this Code, the board of directors shall decide the appropriate action to be taken, and shall formulate relevant procedures, granting relief to the violator.

Chapter 9 Implementation and Revision

Article 14 This Code shall be implemented after the board of directors' approval and submitted to the shareholders' meeting, and the same procedure applies when it is amended.

Article 15 After implementation, this Code shall be disclosed in the annual report, prospectus and MOPS. The same applies to revisions.

6. The Company's Employee Code of Ethical Conduct

Article 1 (Purpose and basis of this Code)

This Code of Conduct is formulated to serve as a guideline for employee behavior and enable Company stakeholders to understand the moral standards and code of conduct that employees should follow when performing their duties.

Article 2 (Scope of application of this Code)

The term "employees" in this Code refers to all employees of the Company and its overseas subsidiaries.

Article 3 (Principle of Integrity)

When performing their duties, the employees of the Company should focus on team spirit, put aside individualism, abide by the principle of integrity and credibility, and maintain a proactive, determined and responsible attitude.

Article 4 (Principle of fairness)

Employees of the Company shall not show any form of discrimination and exclusion against each other because of gender, race, religious belief, party affiliation, rank, nationality and age.

Article 5 (Working environment)

Employees of the Company should maintain a healthy and safe working environment for each other, and any sexual harassment or other acts of violence, threats and intimidation are prohibited.

Article 6 (Maintenance of company image)

The behavior of the Company's employees represents the company's image. All employees should protect the Company's image, whether they represent the Company when participating in various activities or when performing their daily duties and displaying personal behavior, so as not to tarnish the Company's reputation.

Article 7 (Avoidance of conflicts of interest and opportunities for profit-making)

All employees of the Company are responsible for maintaining and increasing the legitimate interests of the Company, and should avoid:

1. Obtaining personal benefits through the use of Company property and information or one's position in collusion with a third party
2. Providing or disclosing confidential information to external parties without proper authorization from the Company. Using confidential or inside information for personal interest, or obtaining favors or harming others is strictly prohibited.
3. Competing with the Company
Employees of the Company and their relatives up to the second degree (included) of kinship, if they serve or invest in the Company's customers, upstream and downstream manufacturers, competitors, etc., should report their employment or investment status to the Company.

Article 8 (Fair trade)

Employees of the Company should treat their business contacts fairly, and prohibit manipulation, concealment or abuse of proprietary information, misrepresentation of important facts, or other unfair transactions; when transacting with related parties, there must be no special preferential treatment. When performing their duties, employees of the Company should not request, promise, deliver or accept any form of gifts, entertainment, kickbacks, bribes or other improper advantages for their personal benefit or that of third parties. However, this restriction does not apply to gifts or entertainment that constitute social etiquette and customs or permitted by the Company.

When accepting or arranging any business entertainment, employees shall comply with normal business etiquette, and such activity shall not be excessively extravagant or frequent, resulting in large or unnecessary expenses.

Article 9 (Insider Trading)

Any information that may significantly affect the Company's security price that employees come across while performing their duties should be kept strictly confidential in accordance with the Securities and Exchange Law before it is publicly disclosed, and such information must not be used to engage in insider trading. The shareholding status and equity changes of insiders and their relatives up to the second-degree of kinship as well as second-degree relatives (included) who are employees of the Company, shall be reported to the Company in accordance with the Securities and Exchange Law.

Article 10 (Confidentiality Responsibilities)

Employees of the Company shall respect each other's privacy and shall not spread rumors or make false statements. All matters or confidential information known to him/her on duty shall be carefully managed, and must not be disclosed to others or used for purposes other than work unless disclosed by the Company or provided for the purpose of performing duties; the same is true after resignation. The information that should be kept confidential in the preceding paragraph refers to the Company's personnel and customer data and personal information, inventions, business secrets, technical data, product design, manufacturing expertise, financial accounting data, intellectual property rights, etc., and all other information that may be disclosed by competitors. Those used may refer to unpublished information that causes the Company to violate regulations or cause damage to the Company or customers after leakage.

Article 11 (Correct Documentation and Reporting)

Employees of the company should ensure the accuracy and completeness of all forms of documents and materials they handle, and keep them properly.

Article 12 (Protection and appropriate use of company assets)

When performing their duties, employees of the Company should avoid theft, interference,

destruction and intrusion of relevant data, information systems, network equipment and other resources, so as to ensure the confidentiality, integrity and availability of Company information.

Article 13 (Political Contributions and Activities)

Employees of the Company shall not in any way influence other employees to make political contributions, support specific political parties or candidates, or participate in other political activities.

Article 14 (Copyright)

Employees of the Company should respect laws and regulations related to intellectual property rights, and prohibit the illegal use or duplication of copyrighted intellectual property, including books, magazines and software.

Article 15 (Reporting of any breach or violation of this Code)

The Company's supervisors should strengthen the promotion of the Company's internal moral concepts, and encourage employees to report to them (by submitting a named report) upon discovering any violations of the law, regulations or this Code. The Company should also do its best to keep confidential and protect the identity of the whistleblower to prevent any threats.

Article 16 (Punishment)

Anyone who falls under the following conditions shall be subject to disciplinary action:

- (1) Employees who violate the "Code of Ethical Conduct for Employees"
- (2) Direct supervisors of employees who:
 1. Violate the "Code of Ethical Conduct for Employees" due to poor supervision
 2. Know that their employees have violated the "Code of Ethical Conduct for Employees", but choose to conceal it or not report it
- (3) Inspectors, certifiers or inspectors of various businesses who:
 1. Fail to find any employee who has violated the "Code of Ethical Conduct for Employees" due to negligence of their duties
 2. Know in advance that the business content of the inspection, certification, and review violates the "Code of Ethical Conduct for Employees" and refuse to report it
- (4) Violate the "Code of Ethical Conduct for Employees", in addition to recovering and returning all improper benefits obtained from the claimer or the Company, subject to punishment based on the Company's reward and punishment management regulations

Article 17 (Procedures for application of exemption)

The chairman of the Company can only agree to non-manager management exemption from complying with the provisions of this Code under exceptional circumstances.

Article 18 (Implementation, amendment and disclosure method)

This Code shall be announced for implementation after approval from the chairman, and shall be disclosed in the annual report and the Company website; the same procedure shall apply when it is amended.

(8) Implementation of Internal Control System

1. Statement of Internal Controls

Prolific Technology Inc. Statement on Internal Control

Date: March 4, 2025

In its 2024 internal control system based on self-assessment results, the Company hereby declares the following:

1. It is aware that the responsibility of the Company's board of directors and managers is to establish, implement and maintain an internal control system, which the Company has already accomplished. The purpose is to provide reasonable guarantees in terms of effectiveness and efficiency of operations (including profitability, performance, asset security protection, etc.), reliability, timeliness, transparency, and compliance with relevant norms and laws and regulations.
2. The internal control system has its inherent limitations. No matter how perfect its design is, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives. Due to changes in the environment or circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism, and the Company will take corrective actions once any deficiencies are identified.
3. The Company determines whether the design and implementation of the internal control system are effective based on the items for verifying the effectiveness of the internal control system stipulated in the "Guidelines for the Establishment of Internal Control Systems by Publicly Listed Companies" (hereinafter referred to as "Handling Guidelines"). The internal control system criteria adopted in the "Handling Guidelines" are based on the management control process. The internal control system is divided into five components: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Operational supervision. Each constituent element includes several items. For the aforementioned items, please refer to the "Handling Guidelines" provisions.
4. The Company has adopted the above-mentioned internal control system to determine projects and evaluate the effectiveness of the design and implementation of its internal control system.
5. Based on the evaluation results in the preceding paragraph, the Company believes that its internal control system (including supervision and management of subsidiaries) as of December 31, 2024, including understanding the effectiveness of operations and the degree to which efficiency goals are achieved, as well as reports, are reliable, timely, transparent and compliant with relevant laws and regulations. The design and implementation of relevant internal control systems are effective and can reasonably ensure the achievement of the above goals.
6. This statement will serve as the main content of the Company's annual report and prospectus, and will be made public. If there are falsehoods, concealment, or other illegal matters in the above-mentioned disclosed content, there will be legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This statement was approved by the Company's board of directors on March 4 2025. Among the eight directors present, none of them expressed objection. All of them agreed with the content of this statement, which is hereby declared.

Prolific Technology Inc.

Chairman: Chang Ching-Tang

Signature

General Manager: Chang Ching-Tang

Signature

2. If an accountant is entrusted to review the internal control system, the accountant's review report should be disclosed: None
- (9) Important resolutions made at the meeting of shareholders and board of directors in the most recent year and up to the date of publication of this annual report:

1. Important resolutions made at the shareholders' meeting:

The Company's 2024 general meeting of shareholders was held on June 5, 2024 at the first conference hall of Taipei Kang Ning Service Apartment. The resolutions and implementation status are as follows:

[Acknowledgment and Items for Discussion]

Proposal No. 1

Description: Ratification of the 2023 business report and financial statements.

Resolution: The proposal was passed based on the voting outcome in which the number of consent rights exceeded the required number.

Implementation status: This was announced as an important resolution on the day of the Shareholders Meeting.

Proposal No. 2

Description: Ratification of the 2023 Earnings Distribution.

Resolution: The proposal was passed based on the voting outcome in which the number of consent rights exceeded the required number.

Implementation status: This was announced as an important resolution on the day of the Shareholders Meeting. The distribution of cash dividends has been set as the ex-dividend base date on 2024/07/14, and has been paid out on 2024/07/31.

2. Important resolutions of the board of directors:

Date of meeting	Session period	Important resolutions
2024/01/16	5 th meeting of the 13 th session of the Board of Directors	1. Approved the 2023 year-end bonus distribution for Company managers. 2. Approved the appointment of Company accountant and certified public accountant service fees. 3. Approved the revision of the Company's "General Principles of Pre-approval Non-Confidence Service Policy". 4. Approved the proposal on the base date for the issuance of new shares and capital increase for employee stock option certificates in the 4th quarter of 2023. 5. Approved the Company's 2023 general budget.
2024/03/05	6 th meeting of the 13 th session of the Board of Directors	1. Approved the Company's 2023 employee and director remuneration distribution proposal. 2. Approved the Company's 2023 annual business report and financial report. 3. Approved the Company's 2023 profit distribution proposal. 4. Approved the distribution of capital surplus in cash. 5. Approved the Company's 2023 internal control statement. 6. Approved the Company's 2024 regular shareholders' meeting.
2024/05/07	7 th meeting of the 13 th session of the Board of Directors	1. Approved the consolidated financial report for the first quarter of 2024. 2. Approved the amendment to the Company's "Audit Committee Organization Charter".

Date of meeting	Session period	Important resolutions
		<ul style="list-style-type: none"> 3. Approved to abolish the company's "Board of Directors Performance Evaluation Guidelines" and to establish a new "Board of Directors and Functional Committee Performance Evaluation Guidelines". 4. Approved the amendment to the Company's "Rules of Procedure for Board Meetings". 5. Approved the proposal on the base date for the issuance of new shares and capital increase for employee stock option certificates in the 1st quarter of 2024.
2024/08/06	8 th meeting of the 13 th session of the Board of Directors	<ul style="list-style-type: none"> 1. Approved the consolidated financial report for the 2nd quarter of 2024. 2. Approve the Company's greenhouse gas inventory and verification schedule. 3. Approved the proposal on the base date for the issuance of new shares and capital increase for employee stock option certificates in the 2nd quarter of 2024.
2024/11/05	9 th meeting of the 13 th session of the Board of Directors	<ul style="list-style-type: none"> 1. Approved the consolidated financial report for the third quarter of 2024. 2. Approved the formulation of the Company's "Sustainable Development Code of Practice". 3. Approved the formulation of the Company's "Risk Management Policy and Procedures". 4. Approved the proposal to establish the Company's "Sustainability Report Preparation and Submission Procedures" and "Sustainability Information Management Procedures". 5. Approved the revision of the Company's "Internal Control System" and "Internal Audit Implementation Rules". 6. Approved the establishment of the Company's 2025 Internal Audit Plan. 7. Approved the credit line application from Chang Hwa Bank. 8. Approved the credit line application from SinoPac Bank. 9. Approved the proposal on the base date for the issuance of new shares and capital increase for employee stock option certificates in the 3rd quarter of 2024.
2025/01/14	10 th meeting of the 13 th session of the Board of Directors	<ul style="list-style-type: none"> 1. Approved the amendment to the Company's "Audit Committee Organization Charter". 2. Approved the appointment of Company accountant and certified public accountant service fees. 3. Approved the revision of the Company's "General Principles of Pre-approval Non-Confidence Service Policy". 4. Approved the Company's 2023 general budget. 5. Approved the 2025 year-end bonus distribution for Company managers. 6. Approved the Company's issuance of new shares with restricted employee rights. 7. Approved the proposal on the base date for the issuance of new shares and capital increase for employee stock option certificates in the 4th quarter of 2024.
2025/03/04	11 th meeting of the 13 th session of the Board of Directors	<ul style="list-style-type: none"> 1. Approved the Company's 2024 employee and director remuneration distribution proposal. 2. Approved the Company's 2024 annual business report and financial report.

Date of meeting	Session period	Important resolutions
		3. Approved the Company's 2024 profit distribution proposal. 4. Approved the Company's 2024 internal control statement. 5. Approved the definition of the scope of junior employees of the Company. 6. Approval of amendments to the Company's articles of association. 7. Approved the proposal to hold the 2025 Annual General Meeting of Shareholders. 8. Approved the appointment and remuneration of the Company's chief financial officer and financial supervisors, and corporate governance directors. 9. Approved the lifting of the manager's non-competition restriction. 10. Approved the review of the remuneration of the Company's directors.

(10) In the most recent year and as of the publication date of this annual report, directors or supervisors have different opinions on important resolutions passed by the board of directors, with records or written statements, as well as main content: None.

(11) The company and its personnel have obtained relevant certificates required by the competent authority for transparency of financial information: None.

4. Certified Public Accountant (CPA) fee information

Information on service fees of certified public accountants

Amount unit: NT\$ thousand

Name of accounting firm	Name of accountants	Accountant review period	Audit fees	Non-audit fees	Total	Remark
KPMG Taiwan	Huang Yong-hua, Yu Sheng-He	2024/1/1-2024/12/31	1,540	781	2,321	Non-audit fees: 1. Tax certification: NT\$320 thousands; 2. English financial report, employee stock option certificate replacement, change of capital verification and other service fees totaled NT\$461,000.

(1) If the accounting firm is changed and the audit fee is reduced compared to that of the previous year, the amount, percentage and reason for the decrease in audit fee shall be disclosed: None.

(2) If the audit fee decreased by more than 10% compared to that of the previous year, the amount, percentage and reason for the decrease should be disclosed: None.

5. CPA change information: None.

6. The Company's chairman, general manager, managers in charge of financial or accounting affairs, who have worked in the firm of the certified accountant or its affiliated enterprises within the last year: None

7. Changes in equity transfers and equity pledges of directors, supervisors, managers, and shareholders holding more than 10% of the shares in the most recent year and as of the publication date of this annual report

(1) Changes in equity of directors, supervisors, managers and major shareholders

Unit: share

Title	Name	2024		Until March 31, 2025	
		Number of shares held increase (decrease)	Pledged shares increase (decrease)	Number of shares held increase (decrease)	Pledged shares increase (decrease)
Chairman/General Manager	Chang Ching-Tang	-	-	0	-
Director	Lin Chin-Shih	-	-	-	-
Director	Liu Tay-Ho	-	-	-	-
Director	Provista Inc.	-	-	-	-
Independent Director	Cheng Ken-Yi	-	-	-	-
Independent Director	Liu Chin-Tang	-	-	-	-
Independent Director	Shih Kuo-Yang	-	-	-	-
Independent Director	Hsu Cheng-Kun	-	-	-	-
Chief Financial Officer Corporate Governance Officer	Lin Ting-Yu (Note 2)	-	-	0	-
Chief Accounting Officer	Liao Yu-Mei	-	-	-	-
Former Chief Financial Officer Corporate Governance Officer	Chang Hsi-Kung (Note 2)	-	-	-	-

Note 1: The number of equity changes refers to the number of shares delivered to trust for safekeeping, including new shares with restricted employee rights.

Note 2: Position adjustment will take effect on 2025/3/5.

(2) If the counterparty in the equity transfer or equity pledge is a related party, the name of the counterparty, the relationship with the Company, directors, supervisors, managers, and shareholders holding more than 10% of the shares, and the related parties shall be disclosed. Number of shares acquired or pledged: None

8. Information on the relationship between any of the top ten shareholders in terms of the largest shareholding ratio, whether they are related to each other or married, or relatives within the second degree of kinship:

April 6, 2025 Unit: share; %

Name	Personal shares		Shares held by spouse and minor children		Shares held by proxy		Title or name and relationship of any of the top ten shareholders who are related to each other by marriage or second degree relatives		Remark
	Shares	Share holding ratio	Shares	Share holding ratio	Shares	Share holding ratio	Title (or name)	Relationship	
Chang Ching-Tang	7,264,442	8.96	891,672	1.10	0	0.00	Lin Hung-Ru Chang Hao-Wei Chang Hao-Yen	Couple Father and son Father and son	
Meng Ling-shi	3,979,000	4.91	-	-	-	-	-	-	Note
Chang Hao-Yen	935,396	1.15	-	-	0	0.00	Chang Ching-Tang Lin Hung-Ru Chang Hao-Wei	Father and son Mother and son Brother	Note
Lin Hung-Ru	891,672	1.10	7,264,442	9.07	0	0.00	Chang Ching-Tang Chang Hao-Wei Chang Hao-Yen	Couple Mother and son Mother and son	
Chang Hao-Wei	829,396	1.02	-	-	0	0.00	Chang Ching-Tang Lin Hung-Ru Chang Hao-Yen	Father and son Mother and son Brother	Note
SinoPac Bank is entrusted to keep the trust account of Prolific Technology's restricted stock with voting rights and dividend distribution rights.	820,000	1.01	-	-	-	-	-	-	Note
Chen Mei-Zhi	750,000	0.92	-	-	-	-	-	-	Note
CYBER EXPERTISE GROUP LIMITED	449,499	0.55	-	-	-	-	-	-	
CYBER EXPERTISE GROUP LIMITED Representative: Lin De-Ming	79,000	0.10	-	-	-	-	Lin Hung-Ru	Brother and Sister	
Citibank is entrusted with the custody of DBS Bank - External account Manager JPMorgan Chase investment accounts	394,000	0.49	-	-	-	-	-	-	Note
Huang Bo-Xin	354,000	0.44	-	-	-	-	-	-	Note

Note: Shareholders who are not corporate insiders have not provided relevant information such as their spouses, minor children, and shares held by proxy.

9. The number of shares held by the Company, its directors, supervisors, managers, and enterprises directly or indirectly controlled by the Company in the same reinvested enterprise and the combined shareholding ratio

December 31, 2024 Unit: thousand shares

Reinvested business	Company's investment		Investments of directors, supervisors, managers, and directly or indirectly controlled enterprises		Comprehensive investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Prolific Technology (H.K.) Ltd.	100	100%	0	0%	100	100%

III. Capital Overview

1. Capital and shares

(1) Source of share capital

1. Formation of share capital

April 7, 2024

Unit: thousand shares; NT\$ thousands

Month/ Year	Issued price (NT\$ dollar)	Approved share capital		Paid-in share capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Paid with property other than cash	Others (Approved date and file number)
July 2012	10	150,000	1,500,000	87,464	874,639	Cancellation of treasury stock NT\$5,740 thousands	None	2012.07.11 Jing-Shou- Shang-Zi No. 10101138650
August 2012	10	150,000	1,500,000	87,339	873,389	Cancellation of treasury stock NT\$1,250 thousands	None	2012.08.30 Jing-Shou- Shang-Zi No. 10101179420
March 2013	10	150,000	1,500,000	86,097	860,969	Cancellation of treasury stock NT\$12,420 thousands	None	2013.03.11 Jing-Shou- Shang-Zi No. 10201038890
February 2015	10	150,000	1,500,000	84,575	845,749	Cancellation of treasury stock NT\$15,220 thousands	None	2015.02.26 Jing-Shou- Shang-Zi No. 10401033440
November 2018	10	150,000	1,500,000	82,369	823,689	Cancellation of treasury stock NT\$22,060 thousands	None	2018.11.28 Jing-Shou- Shang-Zi No. 10701145020
July 2020	10	150,000	1,500,000	79,610	796,099	Cancellation of treasury stock NT\$27,590 thousands	None	2020.07.15 Jing-Shou- Shang-Zi No. 10901125840
February 2024	10	150,000	1,500,000	79,773	797,729	Employee stock warrants for stock subscription amounting to NT\$1,630 thousands	None	2024.02.05 Jing-Shou- Shang-Zi No. 11330015500
May 2024	10	150,000	1,500,000	80,076	800,759	Employee stock warrants for stock subscription amounting to NT\$3,030 thousands	無	2024.05.23 Jing-Shou- Shang-Zi No. 11330082610
September 2024	10	150,000	1,500,000	80,211	802,109	Employee stock warrants for stock subscription amounting to NT\$1,350 thousands	無	2024.09.03 Jing-Shou- Shang-Zi No. 11330156860
November 2024	10	150,000	1,500,000	80,238	802,379	Employee stock warrants for stock subscription amounting to NT\$270 thousands	無	2024.11.27 Jing-Shou- Shang-Zi No. 11330204420
February 2025	10	150,000	1,500,000	81,082	810,819	Employee stock warrants for stock subscription amounting to NT\$240 thousands New restricted employee shares amounting NT\$8,200 thousands	無	2025.02.11 Jing-Shou- Shang-Zi No. 11430010690

2. Types of shares

April 6, 2025 Unit: share

Types of shares	Approved share capital			Remark
	Circulating OTC Shares	Unissued shares	Total	
Registered common stock	80,081,896	68,918,104	150,000,000	(Note)

Note: The 10,000,000 shares reserved in the approved share capital are for the issuance of employee stock option certificates, and the board of directors is authorized to issue them in stages as needed.

3. Information about the comprehensive reporting system: Not applicable

(2) List of major shareholders

April 6, 2025

Name of major shareholders	Number of shares held	Shareholding ratio
Chang Ching-Tang	7,264,442	8.96
Meng Ling-Shih	3,979,000	4.91
Chang Hao-Yen	935,396	1.15
Lin Huei-Ru	891,672	1.10
Chang Hao-Wei	829,396	1.02
SinoPac Bank is entrusted to keep the trust account of Prolific Technology's restricted stock with voting rights and dividend distribution rights.	820,000	1.01
Chen Mei-Zhi	750,000	0.92
Cyber Expertise Group Limited	449,499	0.55
Citibank is entrusted with the custody of DBS Bank -External account Manager JPMorgan Chase investment accounts	394,000	0.49
Huang Bo-Xin	354,000	0.44

(3) Dividend Policy and Implementation Status of the Company

1. Dividend policy stipulated in the articles of association of the Company

If the annual final accounts have after-tax net profit, the Company should first make up for its accumulated losses (including adjusting the amount of undistributed surplus), and then set aside 10% as statutory surplus reserve. This is not the case if the statutory surplus reserve has reached the Company's paid-in capital. In addition, the special surplus reserve shall be set aside or reversed depending on the Company's operating needs and legal requirements. If there is still surplus and undistributed surplus at the beginning of the same period (including adjusting the amount of undistributed surplus), the board of directors shall prepare a surplus distribution proposal and submit it at the shareholders' meeting for resolution on redistribution.

The Company should consider future operating needs, long-term financial planning, and shareholders' interests in its dividend distribution policy. However, the Company's business belongs to the technology industry and is still in the stage of operational growth. Considering the Company's future capital expenditure, budget, and cash needs, the annual cash dividends shall not be less than 10% of the total cash dividends and stock dividends.

The Company's distribution of dividends must be approved by the board of directors with the presence of more than two-thirds of directors and the resolution of more than half of the directors present. All or part of the dividends that should be distributed shall be in cash and reported at the shareholders' meeting.

The Company's distribution of capital reserves or statutory surplus reserves

- requires the presence of more than two-thirds of directors of the board and the resolution of more than half of the directors present. It shall be done in the form of cash distribution, and reported at the shareholders' meeting.
2. The profit distribution at this stage is based on the principle of not less than 40% of the distributable surplus for the current year. Considering the future operation plan and the stability of the share capital, it is distributed in the form of cash dividends.
 3. Dividend distribution proposed at the shareholders' meeting:
 - (1) In accordance with Article 25-1 of the Company's Articles of Association, the Board of Directors shall be authorized through a special resolution to distribute all or part of dividends in cash, which shall be reported at the Shareholders' Meeting.
 - (2) Appropriate cash dividends of NT\$29,124,955 for shareholders, NT\$0.35920416 (calculated based on the Company's outstanding common shares of 81,081,896 shares on February 24, 2025) in cash per share, the distribution of the cash dividends shall be rounded down to the nearest NT\$1, rounded down below NT\$1. Total amount of irregular payments less than NT\$1 shall be credited to other revenue by the Company.
 - (3) The proposal was passed by a resolution of the board of directors, and authorized the chairman of the board of directors to set another ex-dividend base date, payment date and other related matters to handle the issuance; In the event of changes in the number of outstanding common shares of the company resulting in adjustments to the per-share distribution amount to shareholders, the Chairman is authorized to handle all matters with full authority.
 4. When there is a major change in the expected dividend policy, it should be explained: None.
 - (4) The impact of proposed free allotment of shares made at the shareholders' meeting on the Company's operating performance and earnings per share: Not applicable.
 - (5) Remuneration of employees and directors
 1. The ratio or range of employee and director remuneration stated in the Company's articles of association:

If the Company makes a profit for the year (profit refers to pre-tax profit before deducting the distribution of employee remuneration and director's remuneration), no less than 6% should be allocated as employee remuneration and not more than 2% is appropriated for directors' remuneration. However, when the Company still has accumulated losses (including adjustments to the amount of undistributed surplus), it needs to reserve the compensation amount in advance.

Remuneration for employees referred to in the preceding paragraph may be paid in stock or in cash, and recipients may include employees of Company-controlled or affiliated enterprises, and the conditions and methods shall be determined by the board of directors. The remuneration of directors referred to in the preceding paragraph shall be paid in cash only.

The first two items shall be implemented after resolution of the board of directors and reported at the shareholders' meeting.
 2. The accounting basis for the estimated amount of employee and director remuneration in the current period, the basis for calculating the number of shares of stock-based remuneration distributed to employees, and the accounting treatment when the actual distribution amount is different from the estimated amount:

For 2024, the compensation to employees was NT\$3,581,794 and distribution of directors' remuneration was NT\$573,088, all of which were paid in cash, and there

was no difference in the distribution amount compared to the estimated amount listed in its financial report.

3. The distribution of remuneration approved by the board of directors:

- (1) Amount of employee remuneration and director remuneration distributed in cash or stock:

In accordance with Article 25 of the Company's Articles of Association, the Company distributed NT\$3,581,794 in employee remuneration and NT\$573,088 in directors' remuneration in 2024, accounting for about 10% and 1.6%, respectively, and all paid in cash.

The above-mentioned distribution of cash was approved by the Company's Remuneration Committee and Board of Directors.

- (2) The amount of stock-based employee remuneration for distribution and its proportion to the total after-tax net profit and total employee remuneration in the individual financial statement or financial report of the current period: Not applicable.

4. Actual distribution of remuneration for employees, directors and supervisors in the previous year (2023) - (This includes the number of shares distributed, amount and stock price. If there is any difference from the actual remuneration of employees, directors and supervisors, the number, reasons and handling of the difference should be stated):

The compensation to employees was NT\$100,970 in cash, and no distribution of directors' remuneration. The aforementioned amounts of compensation to employees are the same as the amount accrued in the financial statements of 2023; the difference in director's remuneration of NT\$16,155 will be dealt with based on changes in accounting estimates and listed as profit or loss for the year 2024.

(6) Company share buyback: None.

(7) Handling status of corporate bonds (including overseas corporate bonds): None.

(8) Handling status of special shares: None.

(9) Handling status of overseas depository receipts: None.

(10) Handling of employee stock warrants:

1. Handling of employee stock warrants:

Types of employee stock warrants	First employee stock warrant in 2021	
Declaration effective date and total number of units	2021/05/05 FSC Letter No. 1100341143 3,200,000 units (number of shares that can be subscribed for each unit of stock warrant is one share)	
Issue (processing) date	May 17, 2021	
Units issued	3,200,000 units (1 unit = 1 share)	
Number of units still available	Zero unit	
The ratio of the number of issued subscription shares to the total number of issued shares	3.9466%	
Subscription duration	Two years after the date of issue, and executed in three years	
Performance method	Issuance of new shares	
Restricted subscription period and ratio (%)	Stock warrant holders can exercise their options based on a two- year schedule after the employee stock warrant is granted. The duration of stock warrants is set at five years, and stock warrants and their rights and interests may not be transferred, pledged, given to others, or disposed in any way, except through succession.	
	Stock warrant grant period	Proportion of exercisable share options (accumulative)
	after two years	30%
	after three years	60%
	after four years	100%
Number of shares acquired	652,000 shares (as of 2025/3/31)	
Subscription amount performed	NT\$18,115,400 (as of 2025/3/31)	
Number of unperformed subscriptions	2,431,000 shares (as of 2025/3/31)	
Subscription price per share for unperformed subscriptions	NT\$27.60	
The ratio of the number of unperformed subscriptions to the total number of issued shares (%)	2.9982%	
Impact on shareholders' equity	The duration of this stock warrant option is five years, and it will be executed in three years after the expiration two years from the date of issue. This will dilute the original shareholders' equity year by year, with limited dilution effect.	

2. Employee stock warrants granted to managers and top ten employees, and the number of shares that can be subscribed, and the status of their acquisition and subscription:

March 31, 2025

	Title	Name	Number of subscriptions obtained (thousand shares)	The ratio of the number of subscriptions obtained to the total number of issued shares	Executed				Not executed			
					Number of subscriptions (thousand shares)	Subscription price (NT\$)	Subscription amount (NT\$ thousand)	The ratio of the number of subscriptions to the total number of issued shares	Number of subscriptions (thousand shares)	Subscription price (NT\$)	Subscription amount (NT\$ thousand)	The ratio of the number of subscriptions to the total number of issued shares
Managers	Chairman	Chang Ching-Tang	410	0.506%	0	27.60	0	0%	410	27.60	11,316	0.506%
	Chief Accounting Officer	Liao Yu-Mei										
Employees	Senior Director	Chen Jun-Xu	1,681	2.073%	442 42	27.80 29.60	12,288 1,159	0.597%	1,157	27.60	31,933	1.427%
	Senior Director	Xu Jia-Zhang										
	Senior Director	Yang Zhi-Shi										
	Senior Manager	Zhang Ming-Zheng										
	Senior Manager	Yang Zhi-Jun										
	Senior Manager	Liu Ming-Zhong (Note 1)										
	Manager	Wu Guan-Yi										
	Manager	Yu Ren-Yuan										
	Manager	Xu Wei-Shu										
	Manager	Xu Ming-Zhong										

Note 1: Senior Manager Liu Ming-Zhong resigned on 2024/09/30, the expired shares have been deducted.

Note 2: Top ten employees with number of shares that can be subscribed by obtaining stock warrants refer to employees other than managers.

Note 3: The total number of issued shares refers to the number of shares listed in the registration information changed by the Ministry of Economic Affairs. As of 2025/3/31, the total number of issued shares is 81,081,896 shares.

(11) Status of new restricted employee shares:

1. Status of new restricted employee shares:

Type of new restricted employee shares	Restricted employee shares of 2023
Effective registration date and total number of shares	2023/07/27 2,000,000 shares
Issue date	2025/01/14
Number of new restricted employee shares issued	820,000 shares
Number of new restricted employee shares still available for issuance	1,180,000 shares
Issued price	A gratuitous offer at NT\$ 0 per share
The ratio of number of new restricted employee shares issued to the total number of issued shares	N/A
Vesting conditions of new restricted employee shares	Based on work performance appraisal of individual vested employee: a. Meeting of 2-year seniority on the Grant Date, stays employed, and work performance appraisal B (inclusive and above), 30% capped of the total number of the granted R-Shares. b. 3-year seniority on the Grant Date, stays employed, and work performance appraisal B (inclusive and above), 30% capped of the total number of the granted R-Shares. c. 4-year seniority on the Grant Date, stays employed, and work performance appraisal B (inclusive and above), 40% capped of the total number of the granted R-Shares.
Restriction on right in the new restricted employee shares	Restricted Rights of Unvested R-Shares after the Grant Date: a. The employee shall not, only with the exception of inheritance, sell, hypothecate, assign, give to others as a present, pledge or dispose in other way until such R-Shares have vested. b. The employee shall have rights, as the same of ordinary shares, to attend, submit proposals, make a speech, vote for resolution or election at any shareholder meetings, in accordance with the applicable trust or custodian agreement. c. Other rights include, but are not limited to, dividends, allotment of legal reserves and capital reserves, subscription for capital increase etc., as the same of ordinary shares, and related operations are implemented in accordance with the applicable trust or custodian agreement. d. During the following periods to the record date of R-Shares grant, which include the registry closing dates for the Company's distributions of gratuitous shares, dividends or capital increase, the shareholder meeting call stipulated in Paragraph 3, Article 165 of the Company Act, and other facts or issues in compliance with legal requirement, the employee shall unleash the time and procedure limitations of their unvested R-Shares in accordance with the applicable trust or custodian agreement.
Custody of the new restricted employee share	A total of 820,000 shares were delivered to the trust custodian.
Treatment of the new restricted shares for which the grantee fails to meet the vesting conditions after receiving or subscribing to the shares	If a granted employee breaches labor contract, work rules, non-competition clause, confidentiality agreements, or inter-company contract agreements, or fails to meet individual performance appraisal indicators set by the Company, or no longer be employed at the Grant Date, the Company shall have the right to forfeit and

Type of new restricted employee shares	Restricted employee shares of 2023
	cancel these unvested R-Shares without the payment of any consideration.
Numbers of new restricted employee shares that have been retired or bought back	N/A
Number of new restricted employee shares that have vested	N/A
Number of unvested new restricted employee shares	N/A
The ratio of number of unvested new restricted employee shares to the total number of issued shares	1.0113%
The effect on shareholders' equity	No significant impact on shareholders' equity.

2. Restricted employee stocks granted to managers and top 10 employee:

	Title	Name	Number of new shares with restricted employee rights acquired (thousand shares)	Ratio of the number of new shares with restricted employee rights acquired to the total number of issued shares (Note 2)	Restricted rights have been lifted				Unrestricted rights			
					Number of shares whose restrictions have been lifted	Issued price	Issued amount	Ratio of shares whose restrictions have been lifted to the total number of issued shares (Note 2)	Unrestricted Number of shares (Thousand shares)	Issued price	Issued amount	Ratio of unrestricted shares to total issued shares (Note 2)
Managers	Chairman	Chang Ching-Tang	180	0.2220%	0	A gratuitous offer at NT\$ 0 per share	0	0	180	A gratuitous offer at NT\$ 0 per share	0	0.2220%
	Chief Financial Officer, Corporate Governance Officer	Lin Ting-Yu (Note 1)										
Employee	Senior Director	Yang Zhi-Shi	520	0.6413%	0	A gratuitous offer at NT\$ 0 per share	0	0	520	A gratuitous offer at NT\$ 0 per share	0	0.6413%
	Senior Director	Xu Jia-Zhang										
	Senior Director	Chen Jun-Xu										
	Senior Manager	Zhang Ming-Zheng										
	Senior Manager	Wang Ruiqin										
	Manager	Xu Wei-Shu										
	Director	Zheng Ting-You										
	Manager	Yu Ren-Yuan										
	Manager	Xu Ming-Zhong										
	Deputy Manager	Chen Jingde										

Note 1: Special Assistant Lin Ting-Yu was appointed as Chief Financial Officer effective from the position adjustment on March 5, 2025, and concurrently serves as Chief Financial Officer and Chief Corporate Governance Officer.

Note 2: The total number of issued shares refers to the number of shares listed in the change registration information of the Ministry of Economic Affairs, which is 81,081,896 shares.

(12) Handling of mergers and acquisitions or transfer of shares from other companies to issue new shares: None

2. Implementation of capital utilization plan: None.

IV. Operational Overview

1. Business content

(1) Business scope

1. Main content of the Company's business

- (1) R&D and design of computer peripheral equipment and monitors
- (2) R&D and design and sales of integrated circuits
- (3) R&D, design, agency and sales of electronic components, substrate modules and electronic products
- (4) Development, design and sale of computer software and its peripherals
- (5) Import and export business of integrated circuit electronic parts, electronic substrate assembly and electronic products
- (6) Agency and sales of the above products
- (7) Import and export of telecommunications (electronic) equipment
- (8) International trade industry
- (9) Other business not prohibited or restricted by law, in addition to permitted business

2. Proportion of business

Main products and business proportions in 2024 are as follows:

Unit: NT\$ thousand

Product Item	Consolidated sales	Operating ratio
Digital system application products	216,801	51.96
MEMS integrated application products	200,385	48.03
Others	39	0.01
Total	417,225	100.00

3. The Company's main products

(1) Digital system application products

- ① Intelligent I/O control chip: Industrial standard USB serial interface (including UART/SPI/I2C) bridge control chip, Industrial standard USB 2.0 Hub control chip, card reader control chip, USB 1.1/2.0/3.0 full series Host to Host bridge chips and solutions.

(2) MEMS integrated application products

- ① Integrated Control Chips for Electromechanical Systems: Motor Driver Chips, Hall Sensor Chips.
- ② Smart green energy products: PDU computer room cabinet power distributor, ESG AC/DC power metering, smart socket and dimmer with zero-point switch, electric vehicle low-voltage charging cable, handheld wireless home appliance battery management and motor integration control platform.

4. New products to be developed

(1) Digital system application products

- ① Smart Configurable Sensor Hub: With the help of configurable multiple serial interfaces (UART/I2C/SPI/GPIO), various sensors can be connected to develop a new I2C Sensor Hub platform to quickly configure and apply edge peripheral devices of the Internet of Things (IoT) system in smart industrial/agricultural fields.

- ② Programmable USB3.2 Host to Host bridge chip: In response to the increasingly common use of USB Host devices, customized functions and protocols of programmable architecture have been developed to connect heterogeneous operating systems and multi-screen applications to achieve user experiences such as resource sharing, cross-platform support and control convenience.

(2) MEMS integrated application products

- ① Electromechanical integrated control chip: Digital fan motor chips, Automotive 3-phase fan motor driver chip, linear Hall magnetic sensor chip, fan motor driver chip with integrated LIN-BUS interface, gaming ARGB fan integrated driver chip, 3-phase motor high-efficiency integrated chip.
- ② Smart green energy products: Low-cost 3-phase power measurement system, servo cabinet connected to DC automatic detection and switcher, single live wire zero point switch and dimmer, electric vehicle low-voltage charging cable.
- ③ Integrates key technologies of sensor connection, motor control, heat dissipation and power processing to provide AI edge joint control management solutions.

(2) Industry overview

1. Current industry status and development

Data released by the World Semiconductor Trade Statistics (WSTS) show that the global semiconductor market sales totaled US\$630.5 billion in 2024, a year-on-year increase of 19.6%. WSTS predicts that the global semiconductor market will continue its strong momentum in 2024 and total sales will reach US\$697.9 billion in 2025.

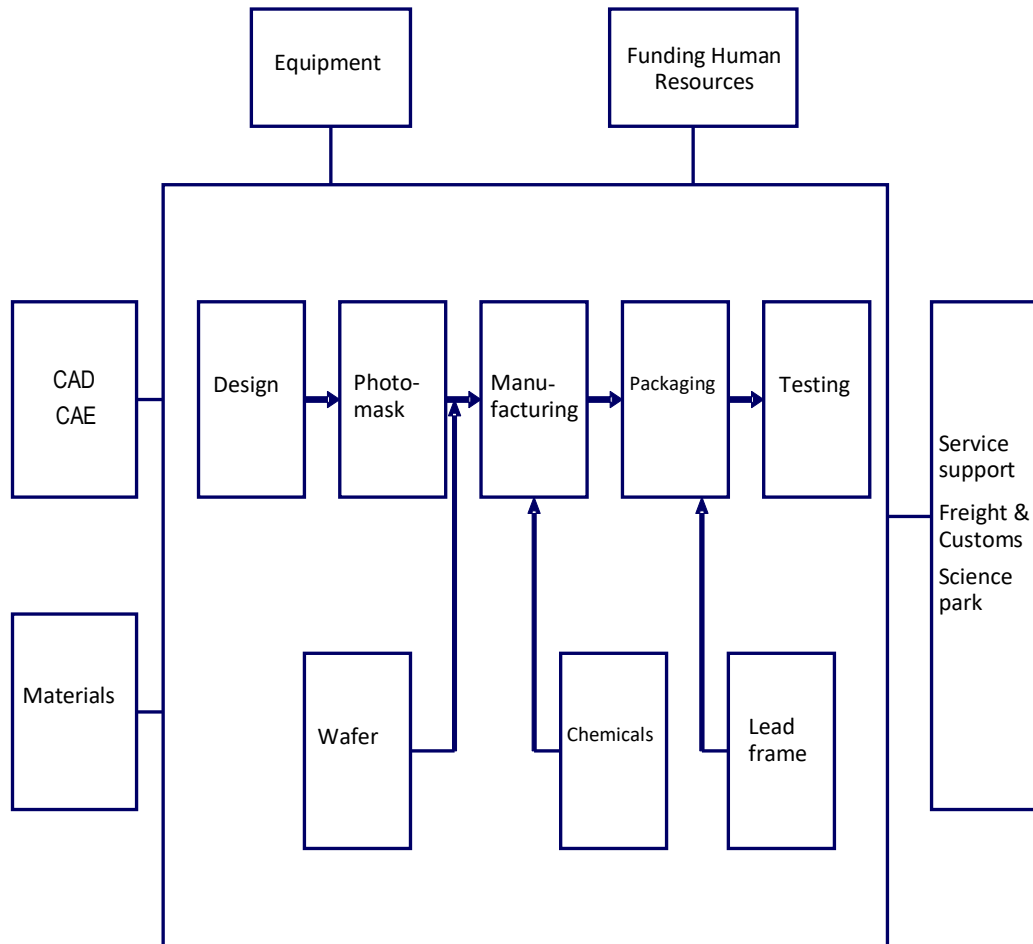
In Taiwan, the International Industrial Technology Research Institute (IEK) estimates that the total output value of Taiwan's IC industry reached NT\$5.3151 trillion in 2024, a 22.4% increase from 2023, a growth rate slightly higher than the global semiconductor market. Among them, the IC design industry was NT\$1.2721 trillion, a growth of 16.0%; the IC manufacturing industry including wafer foundry, memory and other manufacturing was NT\$3.4195 trillion, a growth of 28.4%; the IC packaging industry was NT\$423.3 billion, a growth of 7.7%; and the IC testing industry was NT\$200.2 billion, a growth of 5.0%.

Looking ahead to 2025, IEK estimates that Taiwan's IC industry output value will further reach NT\$6.1785 trillion, a year-on-year increase of 16.2%. The output value of the IC manufacturing industry will reach NT\$4.827 trillion, a year-on-year increase of 19.4%; the IC design industry will reach NT\$1.4155 trillion, a year-on-year increase of 11.3%; the output value of the IC packaging industry is expected to reach NT\$460.8 billion, a year-on-year increase of 8.9%; the output value of the IC testing industry will reach NT\$219.5 billion, a year-on-year increase of 9.6%.

2. Interconnection of upstream, midstream and downstream industries

The process of the IC industry is mainly based on design, photomask, wafer processing, packaging, testing, etc. IC design is mostly front-end, while wafer manufacturing and packaging and testing factories are middle and downstream, respectively. Taiwan's IC industry is different from the vertically integrated structure of large foreign companies in terms of design, manufacturing, packaging, and testing. Instead, Taiwan's individual manufacturers invest in every production process, with

a clear vertical division of labor and expertise. IC design companies are the key to integrating upstream, midstream and downstream businesses in the IC industry because they have mastered circuit system integration, testing and customer needs. The structure of the overall IC industry is shown in the figure below:



(Source: ITIS Program of ITRI Economic Center)

3. Individual product development trends

(1) Digital system application products

① Smart I/O control chip

At present, USB has been rapidly expanding to non-PC applications, including mobile embedded systems, such as mobile phones, digital cameras, MP3 Players, TVs and other products. Handheld devices (tablets, mobile phones, etc.), personal computers, and home entertainment platforms now use USB as a basic configuration. Many consumers electronic products connected to them can easily complete expansion functions through the high-speed interface of USB, supporting their transmission of data, video and multimedia, and even the demand for huge and diverse cloud data streams. The problem for embedded system manufacturers today is not about incorporating USB into products, but how to integrate the best USB performance into products, and then connect various products with built-in USB to greatly improve the

cost performance of product ecology.

In addition to continuously improving the data transmission capacity, USB has evolved to be light, thin and fool-proof in terms of physical connectors. Its reversible USB Type-C connector not only supports high data transmission bandwidth, but also works with USB-PD specification to transmit a maximum power of 100W. More smartphones, tablets, and peripheral devices use USB-C interfaces, which also makes the connection between various devices more convenient and faster.

The rapid development of the Internet of Things (IoT) has promoted the application of USB technology in various smart homes and industries. In particular, the Sensor Hub is equipped with a USB interface to connect smart home appliances, monitoring equipment, sensors and control systems, realizing data exchange and interconnection between devices. Aided by the stability and reliability of USB technology, it is widely used in IoT devices.

At the same time, in response to the increasing popularity of Industry 4.0 and smart factories, we combine industrial USB serial interface products and commercial/industrial USB HUB with our company's USB serial interface driver to provide reliable and stable data transmission. In the future, we will actively introduce enterprise Wi-Fi 7 router/switch network communication products, IPC (Industrial PC) industrial applications and POS (Point-of-Sales) commercial markets.

(2) MEMS integrated application products

① Electromechanical integrated control chip

Due to the rapid development of electric vehicles, electromechanical integrated motor-related applications have become increasingly important. In order to meet the needs for high efficiency and intelligence, how to integrate smart motor control chips with digital interfaces has become a general trend. Achieving optimal commutation timing and variable speed control through digital signal calculation can save 10~50% of motor power consumption and will replace the traditional relatively inefficient induction motor. Integrated and modular applications are now necessary needs.

There is also the need for electronics and safety. “Hall magnetic sensors” have advantages that traditional contact sensors cannot match, such as environmental protection, durability, shock resistance, and easy installation. The development of non-contact sensing will be the future trend. Among non-contact sensors, “Hall effect sensors” have managed a wide range of applications in the automotive field because of their high reliability and other advantages. These applications include detection of gear speed, accelerator position, exhaust gas recirculation valve position, motor and transmission speed, position of the vehicle, wheel speed sensors for anti-lock brakes as well as traction systems, pedals, seat belts, brake and clutch positions, locks, windows and fuel consumption.

② Smart green energy-iGE

With the promotion of smart home appliances and whole-house intelligence, networked control has gradually penetrated into home appliances. In response to the rising electricity prices, how to use electricity

wisely has become a concern for consumers. Frequent switching poses great challenges to system stability and reliability, but the zero-point switching technology can greatly improve the life and stability of electrical switches. This technology is currently being recognized and adopted by smart home design manufacturers.

Aside from energy consumption, consumers are also concerned about safety and convenience when using electricity. Power protection products can effectively prevent energy accidents and provide comprehensive protection for various types of power conditions. Not only can they immediately and correctly determine overcurrent, overvoltage, low voltage, leakage, short circuit, over-temperature, and surge, but they can also automatically detect the zero-switching point of the voltage. The non-sparking switch can significantly increase the service life of home appliances and switches, and reduce the risk of using electricity.

Compared to people's daily electricity consumption, enterprises and industries use greater power. With increasing environmental awareness in recent years, both consumers and enterprises have better understanding and compliance with ESG (Environmental protection/Social responsibility/Governance) requirements. Therefore, enterprises have gradually introduced factory power energy monitoring. They must first understand the power consumption behavior before analyzing energy saving. This also shows that power information collection is required before performance analysis and supporting measures for energy saving plans can be implemented.

The high energy consumption of electricity in computer rooms has gradually attracted attention. In recent years, everything has been connected to the Internet, which has also increased the demand for computer rooms. High-efficiency servo hosts not only consume high energy and are placed centrally, but their high heat requires air conditioners to be operated around the clock to cool them down. In addition to paying attention to the energy consumption monitoring of various equipment, each computer room also hopes to effectively reduce PUE (Power Usage Effectiveness), so the demand for PDUs is also increasing year by year. In addition, the development and sales of electric vehicles have performed brilliantly, and the types and methods of charging have become more diversified. Many consumers choose to charge at home. For this market application, combined with the Company's original advantages of "power detection, protection and zero-point switch", it will continue to delve into the power application market in the future.

③ Electromechanical integrated platform

The new generation of home appliances emphasizes lightness and convenience, and most of them are hand-held and wireless for easy use. Therefore, the demand for integrating battery management, motor control, system safety monitoring and human-machine interface system platform to help customers quickly introduce product design and shorten product development cycle, has increased. The electromechanical integration platform forms a complete control system product by integrating battery

management/protection, motor control/protection and human-machine interface, which can be quickly applied to various battery-powered wireless home appliances and hand-held electric tool systems.

4. Product competition

(1) Digital system application products

① Smart I/O control chip

In terms of development strategy in the USB field, our company is differentiated from competitors in the market who pursue high-speed transmission. We focus on exploring new ideas and deepening our presence in the industrial control market. In 2025, we are actively developing industrial USB serial interface (including UART/SPI/I2C) bridge control chip solutions, and have successfully introduced enterprise Wi-Fi 7 router/switch network communication products, IPC industrial applications and POS commercial markets. In addition, we make good use of cross-platform software and development kits, while also deepening the breadth of USB serial products.

For example, the recently launched "I2C Sensor Hub Solution" is equipped with a multi-channel configurable serial interface chip to support the connection of more types of sensors to meet the needs of smart homes, industrial automation, smart agriculture, and healthcare. For example, the recently launched "I2C Sensor Hub Solution" is equipped with a multi-channel configurable serial interface chip to support the connection of more types of sensors to meet the needs of smart homes, industrial automation, smart agriculture, and healthcare. Features of this solution: Easy-to-use development software with cross-platform operating system support, configurable and programmable chip design to enhance more flexible and diverse sensor connection interfaces, data processing and transmission capabilities, etc.

In addition, our company's "USB 1.1/2.0/3.0 full range of Host to Host bridge chips" and solutions are different from those of other competitors. They use application-oriented programming to customize communication interfaces and protocols, connect heterogeneous operating systems with multi-screen applications, and achieve resource sharing, cross-platform support, and easy-to-control user experience.

The Company adopts differentiated product strategies and market positioning, focusing on the industrial control and customized markets, while providing software and hardware integrated solutions, which enables it to take the lead in the fierce competition. The introduction of the external sensor integration solution further expands the application scope of USB technology and brings new development possibilities for the Company in the era of the Internet of Things.

(2) MEMS integrated application products

① Electromechanical integrated control chip

In response to energy and carbon reduction to achieve the goal of carbon neutrality, the Company is committed to improving the operating efficiency of its motors. It integrates over-voltage and over-current detection and functional safety, and has passed AEC-Q reliability verification and VDA6.3

on-board process audit review. It also has the capabilities required for smart home appliances and automotive environments, and has supported mass production activities of European, American, Japanese and other car manufacturers.

② Smart green energy management

At present, digital meter measurement chips are mainly produced by international manufacturers. The SoC category includes TI, Renesas, Free scale, Maxim, etc. Most of the low-priced AFEs are made by Chinese manufacturers, but these products are only based on measurement and have single functions. If customers want to achieve a variety of complex functions, they need to use multiple non-stop chips, which also increases the complexity and cost of the system. In addition, customers cannot understand the specialized knowledge of power systems and related regulations, making it difficult to independently complete product design. If customers adopt our company's products, they can easily meet the requirements of electrical protection specifications, integrate multiple functions with the most economical design, simplify costs and accelerate product development at the same time.

The market acceptance of smart sockets and energy-saving home appliances is gradually increasing. The Company has reached multi-faceted cooperation with mainstream IoT, home appliance, extension cord and PDU manufacturers in the market. Currently, the zero-spark switching function is favored by the market. In addition to the added value of the brand, it also includes the integration of the Company's multifunctional product features and highly reliable product reputation. Many of its products have been well received once they were launched on the market. The consumer market is now dominated by sockets, multi-way switches, air-conditioning switches and adjustable lighting devices. The industrial control market includes computer room PDUs and commercial office ESG energy-saving systems. It is worth mentioning that the booming development of electric vehicles has led to an increase in charging demand, and the Company is actively developing the electric vehicle charging cable market.

In addition, considering the compatibility of distribution lines, most switch designs use a single live wire for distribution. If smart or switch products are added to a single-live-wire power distribution system, the challenge is much greater than that of a general zero-live-wire power distribution system. This is because it not only has to overcome the problem of obtaining power in a single-circuit system, but also has to overcome the problem of zero-point identification and correct switching, both of which are relatively difficult. Due to the Company's long-term efforts in power applications, it has developed a solution that can accurately detect the zero-point in a single-circuit system and is gradually introducing it into the market. Other competitors have also launched metering chips with zero-point switching functions, which can only support the use of one-way switches or sockets but cannot support single-live applications. This is significantly different from the Company's metering chips, which can support up to three-way switches and sockets through programmable programming. Therefore,

in the application of multi-way switches and sockets and PDU, the Company's metering chips have advantages and are leading the way.

(3) Overview of technology and R&D

1. R&D expenses in the most recent year

Unit: NT\$ thousand

Item	2024
Consolidated R&D expenses	105,100
Consolidated net revenue	417,225
The ratio of consolidated net revenue	25%

2. Technologies or products that have been successfully developed in the most recent year

(1) Digital system application products

① Intelligent I/O control chip: Industrial specification USB to multi-channel UART control chip, industrial specification USB to UART/SPI/I2C control chip, smart configurable sensor hub control chip, USB Hub commercial/industrial specification control chip, USB 3.0 SD /eMMC card reader control chip, USB 1.1/2.0/3.0 full range of Host to Host bridge chips and solutions.

(2) MEMS integrated application products

- ① Electromechanical integration control chips: automotive fan motor driver chips, and digital fan motor driver chips.
- ② Smart green energy products: single live wire zero-point detection technology and dimming control, precise automatic zero-point switch algorithm and multi-light source lamp adaptive system.
- ③ Battery-motor integration system: battery charging and discharging protection combined with motor control and protection to build a control platform that can be quickly introduced into a wireless home appliance system.
- ④ Gaming intelligent fan control system: Gaming ARGB fan driver integrated chip.

(4) Long-term and short-term business development plans

1. Short term business development plan

(1) Marketing strategy

- ① To formulate sales strategies based on the nature of different products and market characteristics, expand market share, and achieve the purpose of growing the market.
- ② To strengthen the foundation of existing markets, and actively expand markets (e.g., Japan and China (including Hong Kong)).

(2) Production Policy

To strengthen cooperation with upstream wafer factories and downstream packaging and testing factories to reduce production costs.

(3) Product development

The new generation of smart Sensor Hub platform solutions include multi-channel configurable serial interface, smart configurable sensor Hub control chip, industrial USB 2.0 Hub control chip, suitable for different fields such as Internet of Things, smart home, smart farm, and industrial automation. High-speed and high-precision calibration-free power metering chip and next-

generation three-phase power chip are developed for smart home, smart home appliances, Internet of Things, electric vehicle charging lines and cloud data center energy monitoring.

(4) Operational scale and financial cooperation

- ① To strive to improve performance, in addition to expanding niche products, and to increase the sales of products along with market scale.
- ② Committed to reducing costs and strengthening cost control.

2. Long-term business development plan

(1) Marketing strategy

- ① To continue training of marketing professionals, develop world-class system manufacturers as main customers, and become partners in new product development.
- ② To expand sales bases outside Asia to gradually establish a global marketing network and increase the Company's popularity.

(2) Production policy

- ① To improve the level of technical cooperation with existing wafer foundries, and continue to use advanced manufacturing processes to gain competitive advantage.
- ② To reduce the cost of foundry, packaging, and testing, and to ensure sufficient production capacity, seek cooperation with new foundries, and plan to cooperate with packaging factories in other regions to reduce cost and shorten delivery time.

(3) Product development

Continue to develop related technologies, including the technical core of zero-point switches, power measurement and protection, and apply them to power monitoring products for smart homes, smart appliances, and the Internet of Things. In addition, the Company is actively working with multiple manufacturers to develop energy power monitoring (PDU) that combines ESG power monitoring with low-voltage electric wires for electric vehicle charging and cloud data centers. It is expected that more models will be introduced into mass production soon.

(4) Operational scale and financial cooperation

Adhering to its sustainable business philosophy, through long-term planning on various aspects such as product diversification, domestic and foreign market development, and cooperation with international strategic partners, the Company aims to continue expanding its scale of operations and become a world-renowned IC design company in the years to come.

2. Overview of the market, production and sales

(1) Market analysis

1. Sales areas of main products

Unit: NT\$ thousand; %

Year Region		2023		2024	
		Sales Amount (Note)	Ratio	Sales Amount (Note)	Ratio
Domestic sales	Taiwan	131,007	36.34	142,939	34.26
Export	Asia	229,304	63.60	274,073	65.69
	America	211	0.06	194	0.05
	Europe	-	-	19	-
Total		360,522	100.00	417,225	100.00

Note: Consolidated revenue.

2. Market share

Unit: NT\$ 100 million

Year	Item	Consolidated turnover	Total output value of IC design industry in Taiwan	Market share
2023		3.61	10,965	0.03%
2024		4.17	12,721	0.03%

Source: IEK of ITRI

3. The future market supply, demand, and growth

(1) Digital system application products

① Smart I/O control chip market

USB interface has become a standard feature of 3C products and devices, ranging from mobile phones, televisions to medical equipment. Its standardization, universality and power supply functions not only simplify the connection between devices, but also lay the foundation for the AI Internet of Things. In the Internet of Things, USB promotes device interconnection and data exchange, achieving plug-and-play, and high-speed transmission promotes audio and video applications. As technology evolves, new interfaces such as Type-C improve transmission speed and power and expand the scope of application. USB is not only a computer peripheral, but also a core connection technology in the era of the Internet of Things, bringing unlimited possibilities to smart life.

The Company's USB products have been successfully introduced into enterprise Wi-Fi 7 router/switch network products, IPC (Industrial PC) industrial applications and POS (Point-of-Sales) commercial markets. In the future, we will focus on developing mid-to-high-end application markets.

(2) MEMS integrated application products

① Electromechanical integration control chip - motor drive chip and Hall magnetic induction market

With the implementation of a comprehensive intelligence system in the automobile industry, the application of automotive electronics has been growing rapidly. According to a report from the research institute IC Insights,

the annual shipment of automotive ICs in 2021 reached 52.4 billion units, an annual increase of 30%. The trend of automotive electronics has created new demand for heat dissipation. DIGITIMES also reported that brushless DC motors are 20%~30% more efficient than traditional induction motors, and according to statistics from Europe and the US, power consumption of motors accounts for about 64%~70% of overall power consumption. In terms of industrial applications and white goods-related products, due to the extensive use of brushless DC motors, driver chips in this part will become an important demand for future development.

② Smart green energy

Given the increased awareness on energy efficiency, the Company has invested in power measurement, monitoring and protection for more than 20 years. Major international manufacturers have recognized the Company's excellent product line such as zero-point low-spark smart sockets and switches in electric energy measurement, electricity safety and protection, and smart home applications, as well as electronic smart meters. All efforts were made in the development of new technologies.

At present, the proportion of "whole-house intelligence" introduced into the consumer market only accounts for 2 to 3%, and the potential for subsequent development is high. With the application development of computer room industrial control and electric vehicle chargers, the demand for PDU and ESG related products is growing steadily. In addition, in terms of the new generation of computer room power supply, in addition to AC power supply, DC power supply is gradually taking shape. This update of PDU energy monitoring in computer rooms will bring a new wave of demand.

In response to the diverse charging needs of electric vehicles, the Company is also laying out the market for simple charging cables. It also comprehensively integrates and improves the power protection monitoring and electricity safety required on the charging line to provide electric vehicle owners with safer and more comprehensive charging protection. Currently, we are cooperating with a number of system solution providers, and some products have passed laboratory certification and will be gradually introduced into the market in the future.

Furthermore, the electromechanical integration platform integrates battery monitoring and motor control, and focuses on the integrated solution platform of handheld wireless home appliances and power tools. It has gradually penetrated the home appliance market. Moreover, it has introduced the platform to American and international manufacturers.

4. Competitive niche

The Company belongs to the IC design industry, which is a knowledge-intensive industry. The research, development and technological capabilities are key to overcoming competition in the market. The Company's competitive niche is briefly described as follows:

- (1) The R&D team has accumulated and extensive technical experience with strong R&D and design capabilities.

The professional IC design experience, capabilities and achievements of R&D personnel are the Company's important assets. Since these provide its

competitive edge, the Company gives high priority to its personnel. In addition to strengthening the professional training of its R&D personnel and providing various welfare benefits to attract and retain talents, the Company expediently recruits new personnel to train and improve technical skills, in hopes of making its products more competitive. At the same time, given the short life cycle of IC products due to innovations in design and process technology, there is rapid product obsolescence. Therefore, the Company's management team needs to be forward-looking in terms of industry development and identify market trends in order to stand out from competitors and gain a foothold in new markets.

- (2) To establish a sound marketing channel, maintain long-term cooperation with customers, and provide comprehensive services

With the improvement of semiconductor technologies, the scope of IC application is becoming more and more extensive, with many emerging markets taking interest in the industry. In order to achieve continuous growth, not only has the Company mastered the IC design technology, but it has also expanded its product line and marketing channels. It has established a complete marketing channel to increase market share. At the same time, it has developed new products to cater to customers' individual needs. During the product development process, it constantly communicates with customers to help shorten product development time. In this way, not only does the Company maintain long-term cooperation with customers, but it also improves services and shortens product launch time. In addition, it constantly introduces new products to meet customer needs.

5. Favorable and unfavorable factors and countermeasures for development prospects

(1) Favorable factors

- ① With the help of the government's planned and phased cultivation of Taiwan's IC industry, the development trend in talent training, process development, strategic alliances and industrial structure is geared towards enhancing the international competitiveness of Taiwan's IC industry.
- ② The upstream and downstream division of labor in Taiwan's semiconductor industry is quite complete. Among them, wafer foundries, packaging and testing factories are becoming more professional and achieve economies of scale, and the quantity and quality of services provided have greatly improved. They have become excellent logistics support for IC design companies.
- ③ With the steady growth of information, communication and consumer products in the global market year by year, the application rate of IC has also increased simultaneously. Furthermore, considering that the output of various information products in Taiwan has already occupied a very high proportion of the international market, the Company's future growth is expected.
- ④ As one of the few companies in Taiwan that has the R&D and design capabilities for logic ICs, digital/analog ICs, and system software, the Company is developing towards high-quality and diversified products. In addition to the successful launch of intelligent input/output control chips and gaming ARGB fan integrated driver chips, the Company will continue to enhance its R&D capabilities and technical level in order to occupy a leading position in the industry in the future.

(2) Unfavorable factors and countermeasures

- ① The barriers to entry for IC design companies are lower than those of other semiconductor industries, especially for low-end product design companies that require less capital. Hence, the number of manufacturers is growing

rapidly, which also leads to increasingly fierce market competition.

Countermeasures:

The Company will continue to invest in R&D manpower, accumulate experience in R&D and design, and utilize high-level manufacturing processes to develop diverse and high-value-added, high-end products that integrate software applications, thereby enhancing the Company's product line to increase profit margins. This would also help the Company gain advantage over its competitors.

- ② Semiconductor technologies develop rapidly, so the demand for product functions also increases and the industry continues to develop new products, all of which prompt IC design companies to shorten their development time in order to cope with market competition.

Countermeasures:

Speed up the development of new products, increase major product categories, and strengthen product functions to increase product value and market differentiation, so that product life cycles can be extended and the impact of economic changes can be reduced.

- ③ There are many patent rights and intellectual property rights among major international manufacturers. If patent infringement occurs involving the Company, there would be legal proceedings and compensatory damages that would increase operational burden and uncertainty.

Countermeasures:

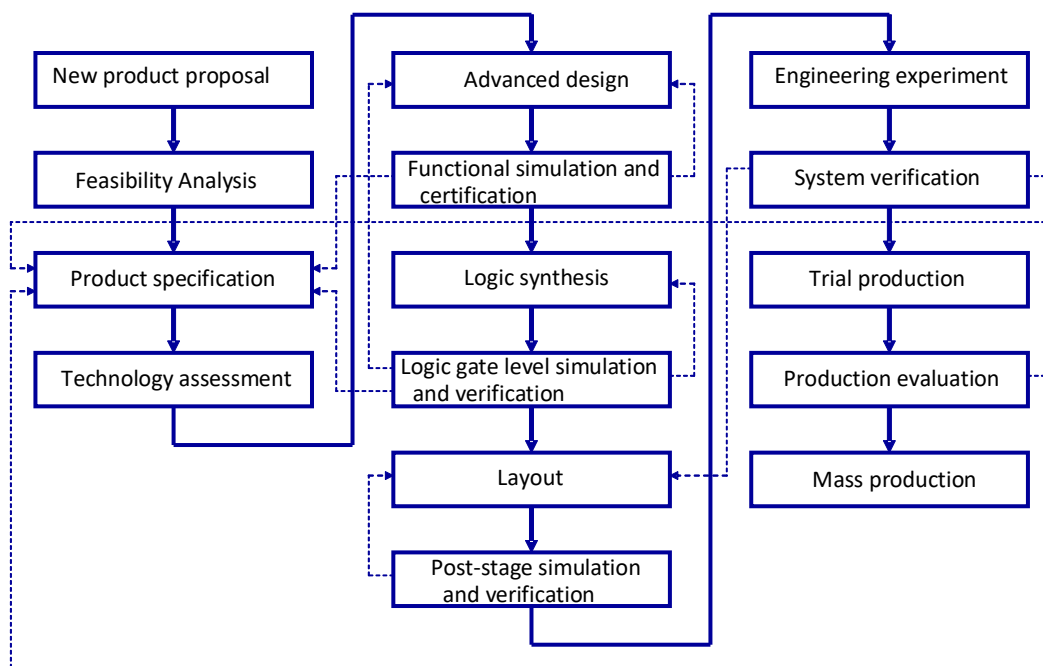
It is necessary to strengthen employees' awareness of patent rights and intellectual property rights as well as other related laws and regulations. It is also important to apply for local and international patents for innovative research and development achievements that have patent value to R&D personnel. In addition, there is a dedicated legal unit to conduct research on issues related to patent rights and intellectual property rights in order to protect the Company's rights and interests.

(2) Important uses of main products and their production processes

1. Important uses of main products

Main products	Important uses
Digital system application products:	
USB serial interface control chip	Data transmission between serial devices and various hosts
USB Host to Host chip	Data access control between USB host and host.
USB HUB control chip	Data access control between USB devices and various hosts.
USB SD card reader chip	SD card or eMMC card reader, flash drive application chip.
MEMS integration application products:	
Electromechanical integrated control chip	Fan motor, magnetic sensor.
Digital power metering chip	Smart home socket switch, lighting dimmer, energy monitoring in computer rooms, low-voltage charging cable for electric vehicles, low-cost 3-phase measurement system
Electromechanical integrated system platform	Portable home appliance motor/battery management system, electric tool machine control system

2. Main production processes



(3) Supply status of main raw materials

The Company's main raw materials are wafers, which are supplied mostly by world-renowned wafer foundries. The Company has maintained a long-term friendly and cooperative relationship with its partners, and its source and quality are stable.

(4) The name of the customer that accounted for more than 10% of the total purchase (sales) in the last two years, the amount and proportion of the purchase (sales), and the reason for the increase or decrease:

1. Information on suppliers whose total purchases accounted for more than 10% in the last two years

Unit: NT\$ thousand

Item	2023				2024			
	Title	Amount	Proportion of net purchases in the whole year (%)	Relationship with Issuer	Title	Amount	Proportion of net purchases in the whole year (%)	Relationship with Issuer
1	1019	32,344	35.15	None	1001	75,188	53.27	None
2	1021	26,817	29.14	None	1019	40,657	28.81	None
3	1001	10,755	11.69	None	1021	10,303	7.30	None
	other	22,103	24.02	None	other	14,985	10.62	None
	Total	92,019	100.00		Total	141,133	100.00	

Explanation for increase or decrease:

Due to varying proportions in product sales, the share of procurement suppliers also differs.

2. Information on sales customers that accounted for more than 10% of the total sales in the last two years

Unit: NT\$ thousand

Item	2023				2024			
	Title	Amount (Note)	Proportion of net purchases in the entire year (%)	Relationship with Issuer	Title	Amount (Note)	Proportion of net purchases in the entire year (%)	Relationship with Issuer
1	2030051	69,686	19.33	None	2020026	88,344	21.17	None
2	2020026	44,445	12.33	None	2030051	58,892	14.12	None
	other	246,391	68.34	None	other	269,989	64.71	None
	Total	360,522	100.00		Total	417,225	100.00	

Note: Consolidated revenue

Explanation for increase or decrease:

The increase and decrease in the sales ratio of the main sales targets is due to the adjustment of business sales strategies and cooperation with customers.

3. The number of employees, average length of service, average age and distribution ratio of their academic qualifications in the last two years and as of the date of publication of this report

Year		2023	2024	March 31, 2025
Number of employees	Administrator	13	14	15
	R&D technician	55	52	52
	Administrative/Operational staff	15	15	15
	Total	83	81	82
Average age		45.25	46.28	46.41
Average years of service (years)		9.87	10.64	10.60
Educational Distribution Ratio (%)	PhD	3.6	1.2	1.2
	Master's	41.0	42.0	42.7
	University/College	55.4	56.8	56.1
	Senior high school	0	0	0
	Below senior high school	0	0	0

4. Information on environmental protection expenditures

In the most recent year and up to the date of publication of the annual report, losses attributable to environmental pollution (including compensation and environmental protection audit results in violation of environmental protection laws and regulations, penalty date, type of penalty, violations, content of violation, and content of penalty should be listed). In addition, the estimated amount and countermeasures that may occur at present and in the future should be disclosed. If it cannot be reasonably estimated, it should be explained:

The Company is a professional IC design company. It has no manufacturing operations given that its products are all outsourced. Hence, there are no environmental issues (i.e., pollution) reported.

5. Labor relations

- (1) Employee welfare measures, advanced education, training, retirement systems and their implementation, as well as labor-management agreements and employee rights protection measures

- 1. Employee welfare measures

- (1) Company welfare measures:

Our company provides a leave system that is superior to the Labor Standards Act (in addition to the special leave stipulated in the Labor Standards Act, the Company provides an additional 7 days of flexible leave and 6 days of full-paid sick leave every year). In addition, we also provide labor health insurance, labor pensions, group accident insurance, regular employee health examinations, travel expenses subsidies, year-end bonuses, and year-end and performance bonuses in accordance with the law. (The so-called year-end and performance bonus is a performance assessment to evaluate the performance of colleagues in the current year. In addition to personal performance results, the assessment content also includes the Company's operating indicators and the achievement of department work goals, etc., and the assessment results are fully integrated with corporate governance, integration of overall operations and sustainable development).

The Company implements flexible working and off-duty hours, as well as additional flexible leave, to improve the convenience of colleagues in arranging leave. Meanwhile, the Company adheres to the spirit of social assistance and specially arranges massage services for visually impaired people to provide massage services in the office to relieve the pressure of colleagues working on various projects under tight schedules.

- (2) The Company has established an employee welfare committee, with 1% capital allocation at the time of establishment, 0.08% of the monthly turnover, and 40% of scrap income; 0.5% is also deducted from the employee's salary as part of the employee welfare committee fund.

- (3) Welfare measures handled by the employee welfare committee:

The Welfare Committee has formulated various methods for the use of recreational funds, including encouraging colleagues to establish clubs, organize group activities and welfare activities (such as providing monthly afternoon tea meals). There are also subsidies for weddings, funerals, childbirth, employee travel, and year-end gift vouchers.

- 2. Advanced study and educational training

To enable corporate cultural integration of new employees and to help them develop professional skills, there are various education and training, professional skills, self-management and quality management programs available during their employment. Company supervisors or employees who are being groomed for supervisory positions will be given training in management. Employees are also encouraged to continue their studies to acquire professional knowledge, keep abreast of latest developments, and facilitate personal growth.

The company's education and training situation in 2024 is as follows:

Course type	No. of participant	Number of hours
Newcomer training	9	27
R & D technology	12	25
Management course	18	34
General education	245	572.5
External professional training	20	219.5
Total	304	878

3. Retirement plan and implementation

The Company formulates employee retirement measures in accordance with the "Labor Standards Act" and "Labor Pension Ordinances" and is clearly stated in the work rules of Prolific Technology Inc. Employee retirement qualifications and pension calculation standards are handled in accordance with relevant regulations. It also applies to the service years of all regular employees before the implementation of the Labor Pension Ordinance on July 1, 2005, as well as the subsequent service years of employees who choose to continue to be subject to the Labor Standards Act after the implementation of the above ordinances.

Old system: The Labor Retirement Reserve Fund Supervision Committee was established in accordance with the law and approved by Taipei City Labor Letter No. 9024612900. The Company is required to set aside 2% of the total salary as a retirement reserve every month and deposit it in a special bank account in Bank of Taiwan. As of the end of 2024, the balance of the Company's labor retirement reserve account was NT\$31,357 thousand and there are currently 14 employees who are subject to the Labor Standards Act pension system (old system).

New system: Since the new system of the "Labor Pension Ordinances" was stipulated by the government on July 1, 2005, 6% of personal salary income must be transferred to the "Employee Personal Pension" special account of the Labor Insurance Bureau every month. If individual employees voluntarily contribute to their pensions, they can withhold and pay them into their personal pension accounts on a monthly basis (the maximum withdrawal rate is 6% of their monthly personal salary income).

For those who are subject to the "Labor Standards Act Pension" system or retain the working experience in the previous period of the "Labor Pension Ordinance", the pension payment standards shall be in accordance with Articles 84-2 and 55 of the "Labor Standards Act".

If the "Labor Pension Ordinance" applies, the Company has allocated pensions to employees' personal accounts in accordance with the above-mentioned time schedule and allocation ratio.

According to the Company's "Employee Retirement Measures", employees may request for retirement if they meet one of the following conditions:

- (1) Those who have served the Company for more than 15 years, or are over 55 years old;
- (2) Those who have served the Company for more than 25 years;
- (3) Those who have served the Company for more than ten years and are over 60 years old.

The Company may force employees to retire when they reach the age of 65 or when they are mentally or physically disabled and unable to perform their duties.

If a compulsorily retired employee suffers mental or physical disability due to performance of duties, the Company will provide an additional 20% pension in accordance with legal provisions.

Since the end of 2000, the Company has hired an actuary to submit an actuarial report to estimate accrued pension liabilities in accordance with the relevant provisions of Financial Accounting Standards Bulletin No. 18 "Pension Accounting Standards".

4. Circumstances of labor agreement

The Company is an IC design company that regards its employees as its most important assets. It attaches great importance to improving employee welfare measures and providing a good working environment. It also facilitates a two-way communication with employees to build harmonious labor relations. Moreover, it occasionally holds labor-management meetings to maintain open communication between labor and management as well as establish a good labor-management relationship.

5. Protection measures to ensure a safe working environment for employees

The design of various software and hardware facilities in the Company's office environment prioritizes the safety of employees, so as to ensure their protection when working. All Company entrances and exits are equipped with access control and card swiping devices. The main entrances and exits are guarded by security personnel 24 hours a day. The Company's various electromechanical or fire-fighting equipment (such as fire alarms or fire extinguishers, etc.) undergo regular maintenance or repair every year in accordance with the regulations of the local government's fire bureau to ensure that they stay in good working condition at any time.

In addition, the Company conducts general health checks for all employees in accordance with labor health protection regulations, to help them monitor their physical health.

6. Workplace diversity and equality.

With the goal of creating a gender equal and harmonious workplace, the Company pays attention to the health of female employees and arranges exclusive health examination projects. In 2024, the proportion of female employees was 33.3% of the Company's total employees, and the proportion of female administrators was 3.7% of the Company's total female employees.

7. All employee rights and interests are managed and protected in accordance with relevant provisions of the Labor Standards Law.

- (2) In the most recent year and up to the date of the annual report's publication, the Company's losses due to labor disputes (including labor inspection results that violate the Labor Standards Law, date of penalty, type of penalty, violations of laws and regulations, content of violations of laws and regulations, and content of penalty should be listed). It is also necessary to disclose the estimated amount and response measures that may occur at present and in the future. If it cannot be reasonably estimated, it should be explained: None

6. Cyber Security Management :

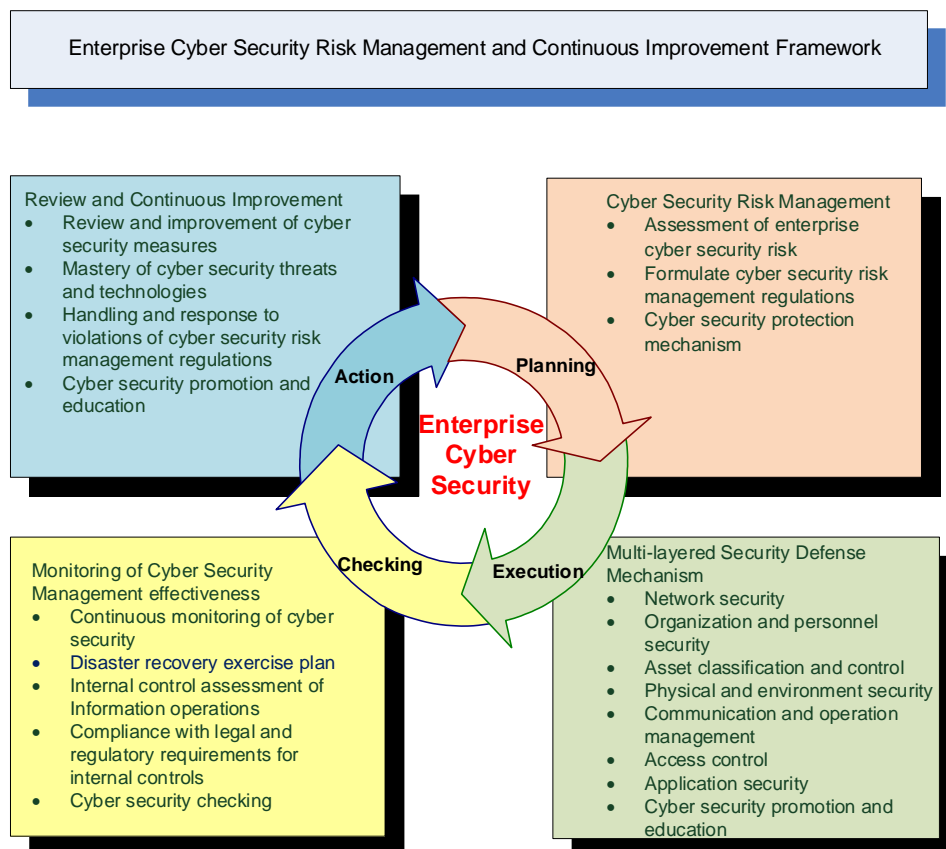
(1) The Company's cyber security risk management framework, cyber security policies, specific management plans, and resources related to cyber security management:

1. Cyber security risk management Framework

To implement the cyber security strategy set by the Enterprise Information Security Office and ensure internal compliance with cyber security-related standards, procedures, and regulations, a "Cyber Security Special Unit" has been established and is led by the MIS Department. This unit is responsible for appointing the Cyber Security Officer and cyber security engineer and arranging professional external training courses on cyber security.

2. Cyber Security Policy

The company's cyber security policy aims to maintain the confidentiality, integrity, availability, and legality of company information. The policy is designed to prevent improper use, leakage, tampering, destruction, loss, and other potential risks that may compromise the security of information and assets due to human error, deliberate destruction, and natural disasters that may affect our company's operations and result in damage to the company's interests.



3. Specific management plan



4. Resources invested in cyber security management

- The Cyber Security Unit is responsible for implementing cyber security-related operations in accordance with the company's policies and procedures, and is able to implement them effectively and comply with internal audit and control principles.
- To ensure data integrity and security, the risk assessment results have remained positive. In recent years and up to the date of this annual report's publication, the company has not experienced any significant adverse impact on its cyber security or posed any significant operational risks.

Implementation status in 2024:			
Item	Cyber security risk management plan	Frequency	Explanation
1	Cyber security promotion and education	13	To increase employee awareness of various security threats
2	Cyber security lecture	1	To provide employees with knowledge and skills relevant to dealing with cyber security threats
3	Drill disaster recovery plan	1	According to the disaster recovery plan, the results met expectations.
4	Vulnerability Assessment and Response	2	To identify, analyze and address vulnerabilities in system and networking
5	Cyber security policy review and report	1	
6	Social engineering	1	To enhance employees' awareness of various security threats.

- (2) In the current and preceding fiscal year up to the date of this annual report's publication, there have been no significant financial impacts, potential effects, or response measures resulting from any major cyber security incidents. If any such impacts cannot be reasonably estimated, this fact should be disclosed: None

7. Important contracts (none)

V. Review and Analysis of Financial Status, Performance and Risk Management

1. Consolidated Financial Statement

Unit: NT\$1,000

Item \ Year	2024	2023	Difference	
			The amount	%
Current Assets	685,180	646,372	38,808	6.00
Non-current financial assets at fair value through profit or loss	425,693	328,187	97,506	29.71
Property, Plant, and Equipment	95,160	92,156	3,004	3.26
Right-of-use Assets	33,338	34,608	(1,270)	(3.67)
Intangible assets	20,882	4,931	15,951	323.48
Other Non-current Assets	93,762	92,793	969	1.04
Total Assets	1,354,015	1,199,047	154,968	12.92
Current Liabilities	96,928	69,573	27,355	39.32
Non-current Liabilities	36,682	37,756	(1,074)	(2.84)
Total Liabilities	133,610	107,329	26,281	24.49
Capital stock	802,379	796,099	6,280	0.79
Paid-in Capital	662	4,531	(3,869)	(85.39)
Capital surplus	132,069	134,857	(2,788)	(2.07)
Retained earnings	36,731	5,173	31,558	610.05
Other equity interest	248,564	151,058	97,506	64.55
Total equity	1,220,405	1,091,718	128,687	11.79
<p>(1) The main reason and impact of changes in assets, liabilities, and shareholders' equity of more than 20% in the past two years, and the said change reached NT\$10 million. If the impact is significant, the future response plan must be explained:</p> <ol style="list-style-type: none"> 1. Non-current increase in financial assets measured at fair value through other comprehensive gains and losses: This is mainly due to the increase in unrealized evaluation benefits recognized at fair value at the end of the current period for financial assets. 2. Increase in intangible assets: mainly due to the purchase of intellectual property in this period. 3. Increase in current liabilities and total liabilities: mainly due to the increase in accounts payable during the period. 4. Increase in retained earnings: mainly due to increase in profits in the current period. 5. Increase in other equity: Mainly due to the increase in unrealized valuation gains recognized at fair value on financial assets at the end of the current period. <p>(2) If the impact is significant, the future response plan must be explained: None.</p>				

2. Financial performance

(1) Comparative analysis of financial performance in the last two years

Unit: NT\$1,000 ; %

Item	2024	2023	Increase (decrease) amount	Variation ratio
Net operating revenue	417,225	360,522	56,703	15.73
Cost of sales	249,507	222,101	27,406	12.34
Gross profit	167,718	138,421	29,297	21.17
Operating expenses	181,471	171,010	10,461	6.12
Operating profit (loss)	(13,753)	(32,589)	(18,836)	(57.80)
Non-operating income and expenses	45,416	35,481	9,935	28.00
Income (loss) before tax	31,663	2,892	28,771	994.85
Tax expenses	3,000	0	3,000	-
Net income (loss)	28,663	2,892	25,771	891.11
Other comprehensive income	101,204	70,843	30,361	42.86
Total comprehensive income	129,867	73,735	56,132	76.13

1. Explanation for the analysis of change in terms of increase or decrease in ratio: (If the operating gross profit changes by more than 20%, a separate analysis of the difference is required as shown in Table (2). If the increase or decrease does not reach 20%, the analysis is omitted.)
 - (1) Operating gross profit: mainly due to the increase in revenue in the current period.
 - (2) Operating profit (loss): Mainly due to the increase in revenue in the current period.
 - (3) Non-operating income and expenses: due to the depreciation of the Taiwan Dollar, increased exchange gains and increased dividend income.
 - (4) Net profit before tax and net profit for the current period: mainly due to the increase in revenue for the current period.
 - (5) Other comprehensive income and loss, total comprehensive income and loss for the period: mainly due to the increase in unrealized valuation gains as a result of the increase in the market price of financial assets.
2. The expected sales volume and basis, the possible impact on the Company's future financial business and response plan:
 - (1) Expected sales volume for the next year and its basis:
Based on global market conditions and company development strategies and other factors, the Company expects that its overall revenue in 2025 will grow slightly compared with the previous year. At the same time, the Company will continue to develop new products, explore new markets, and establish long-term partnerships with customers to expand market share and increase the Company's profits.
 - (2) For the possible impact on the Company's future financial business and response plan, please refer to the content of this annual report "IV. Operational Overview, Market, Production and Sales Overview".

(2) Analysis of change in gross profit

Product items	Pre/post increase/decrease number of changes	Reason for difference			
		Selling price difference	Cost price difference	Sales mix differences	Quantity difference
MEMS integrated application products	19,197	9,285	(10,172)	(384)	20,468
Digital system application products	3,442	16,175	887	(2,024)	(11,596)
Other	6,658	-	-	-	-
Total	29,297	25,460	(9,285)	(2,408)	8,872

1. Analysis of selling price differences:

The MEMS integrated application products have seen a significant increase in customer demand due to the expansion of new market applications, and the digital system application products have seen an increase in sales of high-priced products, both of which have generated favorable sales price differences in this period.

2. Cost price difference analysis:

The average unit cost of MEMS integrated application products increased due to the depreciation of the Taiwan dollar, resulting in an unfavorable difference in cost price. The average unit cost of digital system application products decreased due to the increase in sales of high-gross-margin products, resulting in a favorable difference in cost price.

3. Sales mix difference analysis:

The sales mix of MEMS integrated application products was relatively large with below-average gross profit margins, resulting in an unfavorable sales mix difference in this period. Digital system application products unit gross profit increased, but due to the decline in sales volume, the sales mix had an unfavorable difference.

4. Quantitative difference analysis:

Micro-electromechanical integrated application products have generated favorable volume differences due to the surge in customer demand. Digital system application products suffered severe price cuts in the consumer market in mainland China, and customers were conservative in placing orders, resulting in unfavorable quantity differences.

5. Others refer to the ASIC project design and customized IC design services that our company accepts from customers.

3. Cash flow

- (1) Analysis and description of cash flow changes in the most recent year, and improvement plan for its insufficient liquidity

Unit: NT\$1,000

Cash beginning balance	Annual net cash flow from operating activities	Annual cash flow from other activities	Cash surplus (deficiency) amount	Cash deficit remedies	
				Investment plan	Financial plan
481,057	14,027	(23,593)	471,491	-	-

1. Analysis of changes in cash flow:

- (1) Net cash inflow from operating activities: Mainly due to the increase in interest income and dividend income this year.
- (2) Net cash outflow from investing activities: This was mainly due to increased investments in financial assets measured at fair value through other comprehensive profit or loss, including the acquisition of silicon intellectual property and expertise.
- (3) Net cash outflow from financing activities: Mainly due to repayment of lease principal, and the distribution of cash dividends.

2. Improvement plan for insufficient cash flow: Not applicable.

- (2) Analysis of cash liquidity for the following year

Unit: NT\$1,000

Cash beginning balance (1)	Estimated annual net cash flow from operating activities (2)	Estimated annual cash flow from other activities (3)	Estimated cash surplus (deficiency) amount (1) + (2) + (3)	Estimated cash shortfall remedies	
				Investment plan	Financial plan
471,491	(5,565)	(46,287)	419,639	-	-

1. Estimated net cash outflow from operating activities: mainly due to R&D activities and inventory increase.
2. Estimated net cash outflow from other activities: mainly due to the payment of cash dividends and purchase of silicon intellectual property.

4. Impact of major capital expenditures on financial business in the most recent year: None.

5. Main reasons for profit or loss from reinvestment policy in the most recent year, as well as improvement plan and investment plan for next year: None.

6. Analysis and evaluation of risk events in the most recent year and as of the publication date of this annual report

- (1) The impact of interest rate, changes in the exchange rate, and inflation on the company's profit and loss, and future response measures:
1. Interest rate risk: The Company's own funds are sufficient to meet working capital requirements. Currently, there are no bank loans and no demand

loans for various capital expenditures or material purchases. The Company's short-term idle funds are mainly fixed deposits. If the interest rate increases or decreases by 25 basis points, and all other variables remain unchanged, the change in interest rate will not have a significant impact on the Company's profit or loss.

2. Exchange rate risk: The Company's foreign currency financial assets and liabilities will be affected by changes in the exchange rate. The measures taken to address the risk of changes in the exchange rate entail foreign currency accounts receivable offsetting foreign currency accounts payable to purchase raw materials as a way of natural hedging. If the foreign currency accounts receivable is relatively large, derivative financial products will be used to hedge, that is, foreign currency payments will be sold in the spot market within a short period of time after receipt, reducing the impact of changes in the exchange rate on profits.
 3. Inflation: The price of the Company's orders or purchases is mainly affected by market supply and demand, and inflation will not have a major impact on the Company.
- (2) With regard to policies related to high-risk, high-leverage investments, capital lending, endorsement guarantees, and derivative transactions, the main reasons for profit or loss, and future countermeasures:

The Company has neither engaged in high-risk and high-leverage investments nor lent funds to others or endorsed guarantees. In compliance with regulations, the Company has formulated operating procedures for capital lending and operating methods for endorsement guarantees. Its derivative financial products are mainly for hedging of accounts receivable when there is significant exchange rate fluctuations, and all transactions take risks into account to minimize exchange losses.

(3) Future R&D plans and estimated R&D expenses:

1. Future R&D plans

- (1) 0.18um BCD smart fan motor driver chip
- (2) Automotive three-phase motor drive chip
- (3) Smart e-Sports fan integrated drive system
- (4) Linear Hall magnetic sensor chip
- (5) Next-gen USB 3.2 Host-2-Host control chip

2. Estimated R&D expenses

The Company invests a large amount in research and development every year, including authorization fees for personnel, technology or intellectual property rights, photomask and engineering experiment expenses. It invested many years in building a strong product foundation and is committed to integrating platform module products into applications and software. It has also successfully developed a number of products.

In 2024, the combined R&D expenses were NT\$105,100 thousands. This year, platform modules will still be the focus of R&D. Based on existing technologies, the Company expects to invest in low-cost and high-efficiency resources to gain momentum for revenue growth. The estimated research and development expenses in 2025 are NT\$123,974 thousands, up by about 18% from 2024.

3. Main factors influencing the success of future R&D

- Accurately identify the development trend of the market and ensure that products meet market demand.
- Production is carried out according to plan and product is launched ahead of competitors.
- Cost/Performance ratio is better than that of other companies in the same industry.
- Effective integration of internally developed and externally acquired technologies.

(4) The possible impact of major policy and legal changes both domestically and overseas on the Company's financial business and related countermeasures: None.

(5) The impact of technological changes (including cyber security risks) and changes in the industry on the company's financial operations are considered, and the corresponding response measures are implemented:

The Company has established relevant procedures for processing information systems to implement internal control measures and maintain cyber security policies. By regularly reviewing, assessing, and drilling regulations and procedures, the company ensures their appropriateness and effectiveness.

1. Ensure the security of the company's data, systems, equipment, and networks, and prevent external intrusion and damage:

- i. The Company has installed relevant cyber security equipment to prevent unauthorized and illegal access.
- ii. Through physical network isolation and access policies, confidential data is prevented from being taken out of the isolated area.
- iii. Regular promotion of cyber security concepts, as well as occasional training, is conducted to enhance the awareness of cyber security among our company employees.

2. Ensure that the system account access rights and system changes are in compliance with company's policies and authorized procedures:

Both account access and system changes require approval from the responsible unit.

3. Implementation of destruction procedures:

Information technology equipment that has been scrapped will have their computer storage media removed and centrally stored by the information unit at the time of scrapping. A professional third-party service will be commissioned to provide degaussing and physical destruction services and provide relevant destruction certificates.

4. Maintain the availability and integrity of data and systems, and ensure the ability to restore normal operations in the event of a disaster:

- i. Backup: The system and files are scheduled for tape backup at regular intervals. The backup cycle is fixed with a full back up every week.
- ii. Off-site storage: Moisture-proof cabinets are purchased in Taipei and Hsinchu, and backup tapes are stored off-site in both Taipei and Hsinchu each month (i.e., Taipei tapes are stored in Hsinchu, and vice versa) to achieve the purpose of off-site storage.
- iii. Through regular drills, ensure the appropriateness and effectiveness of the information system recovery procedures.

The MIS Department performs related operations in accordance with the company's

prescribed procedures, and is able to implement and comply with the internal control and audit system. The integrity and security of the data are ensured, and the results of risk assessments have been positive. As of the end of the current fiscal year and the printing date of the annual report, there have been no significant adverse impacts on the company's cyber security and no major operational risks have been identified.

- (6) Impact of changes in corporate image on crisis management and related countermeasures: None.
- (7) Expected benefits of mergers and acquisitions, possible risks and related countermeasures: None.
- (8) Expected benefits of plant expansion, possible risks and related countermeasures: None.
- (9) Risks faced by centralized purchase or sales and related countermeasures:
 - 1. Purchase:
In order to stabilize the supply of raw materials, the Company maintains multiple suppliers to diversify its sources and reduce operational risks due to shortage of raw materials.
 - 2. Sales:
The Company's customers are reviewed in accordance with the internal credit management law and are granted appropriate credit lines and loan conditions based on information such as their business scale and financial status. Some customers have obtained collateral, and the Company regularly and continuously evaluates the financial status of these customers and the possibility of recovering their accounts receivable.
- (10) Directors, supervisors or major shareholders with more than 10% shares, the impact, risks and countermeasures related to the Company in terms of large number of transfers or replacements of their shares: None.
- (11) The influence, risk and countermeasures affecting the Company with regard to change in management right: None.
- (12) For litigation or non-litigation events, the Company and its directors, supervisors, general manager, actual person-in-charge, major shareholders and affiliated companies with a shareholding ratio of more than 10% should be listed. For major litigation, non-litigation or administrative disputes that have been settled or are still pending and the outcome of which may have a significant impact on shareholders' rights or security price, it is necessary to disclose the fact in dispute, the subject matter, the start date of the lawsuit, the main parties involved, and handling status as of the publication date of this annual report: None.
- (13) Other important risks and countermeasures: None.

7. Other important matters: None

VI. Matters Specially Recorded

1. Relevant information of affiliated enterprises:

Index path: MOPS (Market Observation Post System)
(<https://mops.twse.com.tw>) > Single Company > Electronic Document
Download > Three-Book List of Related Companies, and enter the stock code:
6233 to search.

Website: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

2. Handling of privately placed securities in the most recent year and as of the publication date of this annual report: None.

3. Other necessary supplementary explanations: None.

4. Any event that has significant impact on shareholders' equity or security prices in the most recent year and up to the date of publication of this annual report, as stipulated in Subparagraph 2, Paragraph 3, Article 36 of this Law: None.

Prolific Technology Inc.

Chairman: Chang Ching-Tang